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Notes

The term OAO "Gazprom" used in the Annual Report refers to the head company of the Group, i.e. to Open Joint Stock Company "Gazprom". The "Gazprom Group", the "Group" or "Gazprom" imply OAO "Gazprom" and its subsidiaries taken as a whole.

The Annual Report contains information related to Gazprom Group's business activities in the future, which is based on the forecast and estimates of OAO "Gazprom" management and on the current situation.

Due to the effect of various objective reasons, actual results may differ from the forecasts and estimates presented herein.

**ADDRESS BY THE CHAIRMAN
OF THE BOARD OF DIRECTORS
AND THE CHAIRMAN
OF THE MANAGEMENT COMMITTEE
TO THE SHAREHOLDERS
OF OAO "GAZPROM"**

Dear shareholders!

In 2005, Gazprom continued evolving into the world-class global energy company. Over the past year, Gazprom has shown impressive capitalization growth rates well above the country-wide and industry-wide average. The share price went up 2.5 times accompanied by an increase of 83 % in the RTS index and an increase of 42 % in the world oil and oil product prices.

One of the key aspects to stimulate this process was OAO "Gazprom" share market liberalization, which became possible due to the increase in the government's shareholding in the company to a controlling interest. This removed any limitations with regard to foreign investors' shareholdings in OAO "Gazprom".

Following its strategy, Gazprom persistently keeps expanding the area of its supplies. In 2005, the company stepped over the Atlantic and entered one of the world's largest liquefied natural gas markets as first tankers with LNG reached the USA.

The company is implementing intensive preparations for the development of the Shtokmanovskoye field on the shelf in the Barents Sea, which is to become the mineral resource base for large-scale LNG production in Russia.

The company continued to strengthen its positions in its traditional foreign markets. The gas sales in Europe exceeded 156 bcm. The unique Blue Stream gas pipeline running from Russia to Turkey reached its design capacity in 2005. The construction of a brand new gas transportation line – the North European Gas Pipeline – was launched. This project carried out in cooperation with the German companies "BASF AG" and "E.ON AG" will allow Gazprom to considerably expand its scope of operation in the European market, diversify its export flows, and improve their reliability and flexibility.

In 2005, Gazprom moved to the market principles of cooperation in gas sphere with the former Soviet Union states, which can be viewed as a considerable success. This will not only enable the company to increase its profit but also to improve the reliability of gas supply to distant foreign countries through the CIS countries.

It is hard to imagine a global energy company without an oil business component. In 2005, Gazprom acquired Sibneft having completed by far the largest transaction in Russian history. Acquisition of Sibneft allowed Gazprom not only to diversify its production activities but also to become one of the most influential players in the Russian oil market.

In pursuing its strategy of export routes diversification and mastering new areas of business, Gazprom pays special attention to the consolidation of its financial position, the development of its resource base, the production growth, and the gas transportation system expansion.

In the past year, OAO "Gazprom" achieved record high production and financial results. Its revenues grew up by 38.8 % and reached RR 1 231.3 billion, while its net profit exceeded RR 203 billion. High financial results make it possible to considerably increase the dividends.

This was the first year in the joint-stock company's history when the incremental growth in its explored gas reserves (583.4 bcm) considerably exceeded its production (547.9 bcm).

Gazprom continued to expand its production capacities. The production complex combining the Vyngayakhinskoye and Yety-Purovskoye fields reached its design capacity of 20 bcm of gas per year. 246 new wells were commissioned at Gazprom's fields. Successful overcoming of this winter's spell of abnormally low temperatures evidenced Gazprom's capabilities in gas production.

The work was carried out to improve the reliability and the throughput capacity of the Unified Gas Supply System. 1.4 thousand km of trunk pipelines and 7 new compressor stations were commissioned in 2005.

Our achievements in the field of export enabled stable gas supply to Russian consumers and established favorable conditions for resolving the persistent problems concerning the development of the domestic market. Gazprom's Program for the expansion of gas supply facilities in regions of Russia for the period between 2005 and 2007 became its major social-oriented project. The advantages of gas fuel will become available to over 11 million citizens all over the country. An unprecedented amount of RR 35 billion is to be invested into the construction of gas supply facilities. The priority of the Program is the expansion of gas supply facilities into rural areas.

Business efficiency is one of the main principles underlying the world largest companies' operations. Therefore, Gazprom keeps consistently improving its corporate governance structure and reforming the company. It started establishing subsidiaries specializing in such fields of activities as underground gas storage, underground repairs, hydrocarbon processing, oil production, etc.

The electric power assets have been structured as part of the reform enabling Gazprom to consider the power industry as its core business rather than a field for its financial investment.

Gazprom's efforts have been positively perceived by the professional participants of the market: the leading international rating agencies have raised the company's credit ratings. Last year, Gazprom managed to successfully place a number of large-scale bond issues and considerably bring down the cost of raising funds.

The results of 2005 allow us to be confident in our future. We are setting ambitious goals to win leading positions in the global energy market, improve Gazprom's prestige and influence in the world community, and provide for the long-term growth of the company's shareholder value.

ОАО "Газпром"
Chairman of the Board of Directors
Dmitry Medvedev

ОАО "Газпром"
Chairman of the
Management Committee
Alexey Miller



INCREASE IN RUSSIAN FEDERATION SHAREHOLDING IN OAO "GAZPROM"

In 2005, the government acquired additional shares of OAO "Gazprom" bringing its shareholding in the company to a controlling interest. The purpose of the transaction is to provide for the control over the company, which is strategically important for the country, this being a prerequisite for OAO "Gazprom" share market liberalization.

This transaction involved signing agreements in June 2005 for the sale of shareholding in OAO "Gazprom" to the state-owned company OOO "Rosneftegaz". These agreements involved the shares owned to the companies within Gazprom Group (AB "Gazprombank" (ZAO) (Gazprombank), "Gazprom Finance B.V.", and NPF "Gazfund") and the shares jointly owned to the companies within Gazprom Group (OOO "Gazprominvestholding", OOO "Novfintech", and OOO "Fincom"). OAO "Gazprom" Board of Directors had approved the disposal by these companies of 2,542,500,000 shares of OAO "Gazprom" to Rosneftegaz, which account for 10.74 % of its share capital, for a consideration of RR 203.5 billion. The shares were paid for during 2005 in the full amount and within the preset deadlines.

OAO "GAZPROM" SHARE MARKET LIBERALIZATION

The following regulatory documents were adopted in late December 2005, which removed any legislative limitations with regard to the circulation of OAO "Gazprom" shares:

- Federal Law № 182-FZ dated December 23, 2005 "On making amendments to Article 15 of the Federal Law "On gas supply in the Russian Federation";
- Decree of the President of the Russian Federation № 1519 dated 23 December 2005 "On rendering certain decrees of the President of the Russian Federation null and void";
- regulation of the Government of the Russian Federation № 818 dated 28 December 2005 "On rendering certain regulations of the Government of the Russian Federation null and void".

After coming into effect these documents canceled any quotes related to the acquisition of OAO "Gazprom" shares by foreign holders and trading limitations on these shares at Russian stock exchange trading floors. This should contribute to the creation of a single fair price for the shares and American Depositary Receipts (ADRs) of OAO "Gazprom", which will reflect the company's actual value.

ACQUISITION OF CONTROLLING INTEREST IN OAO "SIBNEFT"

In October 2005, Gazprom Group acquired 72.66 % shares in OAO "Sibneft". The transaction amounted to US \$ 13,079 million. An additional 3.02 % of OAO "Sibneft" shares were purchased in September 2005. As of the end of 2005, Gazprom Group's total shareholding in OAO "Sibneft" amounted to 75.68 %.

Sibneft Group (Sibneft) is one of the largest Russian vertically integrated oil companies engaged in the oil and gas exploration, production, processing, and sale. As of the end of 2005, the company's hydrocarbon reserves¹ included 730.8 million tons of oil and 149.3 bcm of gas. Sibneft also owns the Omsk Oil Refinery, one of the most technologically advanced refineries in Russia.

The acquisition of Sibneft is aimed at helping OAO "Gazprom" achieve its strategic goal, i.e. to evolve into a global energy company and a leader in the world energy market.

¹Hydrocarbon reserves hereinafter refer to the explored reserves (categories A+B+C₁) in accordance with the Russian classification if not specified otherwise.

MAJOR EVENTS

LAUNCH OF NORTH EUROPEAN GAS PIPELINE CONSTRUCTION

In 2005, the project related to the construction of the North European Gas Pipeline (NEG) started being implemented. The gas pipeline runs from Russia under the Baltic Sea to Germany. The strategic goals of the project are to diversify Russian export routes, improve the reliability and increase the volume of export supplies, and optimize transportation flows. The projected throughput of the two runs of the pipeline is to reach 55 bcm per year. Gazprom plans to build the ground part on its own and cooperate with foreign partners in building the sea part. The sea part construction cost is estimated at over EUR 4.0 billion.

In September 2005, OAO "Gazprom" signed a contract with "BASF AG" (BASF) and "E.ON AG" (E.ON) on the NEG project implementation. In accordance with this agreement a joint company was established, which will design, construct, operate, control, and own the sea part of the gas pipeline.

On December 9, 2005, the first joint of the NEG ground part was welded. NEG is scheduled to be commissioned in 2010.

MAJOR OPERATING RESULTS

Gazprom Group production results	Units	2004	2005	2005/2004, %
Incremental increase in the natural gas reserves due to the exploration work	bcm	378.1	583.4	154.3
Natural gas production*	bcm	545.1	547.9	100.5
Gas condensate production*	million tons	11.1	11.7	105.4
Oil production*	million tons	0.9	1.3	144.4
Volume of gas retrieved from UGSF in Russia	bcm	37.9	42.8	112.9
Volume of gas pumped into UGSF in Russia	bcm	42.6	46.3	108.7
Sales of gas in Russia	bcm	305.7	307.0	100.4
Sales of gas in Europe	bcm	153.2	156.1	101.9
Sales of gas in CIS and Baltic States	bcm	65.7	76.6	116.6
Trunk pipelines and pipeline branches commissioned	km	1,013.6	1,401.5	138.3
OAo "Gazprom" financial results**				
Net sales of goods, products, work, and services (excluding VAT, excise taxes and other similar payments)	million roubles	887,231	1,231,262	138.8
Sales profit	million roubles	211,593	358,144	169.3
Net profit	million roubles	161,084	203,439	126.3
Net assets***	million roubles	2,789,053	2,964,323	106.3
Short-term borrowings***	million roubles	200,355	197,381	98.5
Long-term borrowings***	million roubles	459,534	704,191	153.2
Capital expenditures	billion roubles	155.4	186.0	119.7
Net assets per share	roubles	117.81	125.22	106.3
Earnings per share	roubles	6.80	8.58	126.1
Dividends per share****	roubles	1.19	1.50	126.1
* Excluding Sibneft's figures. ** Figures for 2004 may differ from the respective figures in the Annual report for 2004 due to the restatement to the comparable data in the preparation of the 2005 accounting (financial) statements. *** Net assets as well as short-term and long-term borrowings for 2004 are shown based on the data in the column "At beginning of reporting year" while those for 2005 are shown based on the data in the column "At end of reporting year" in OAo "Gazprom" balance sheet as of December 31, 2005. **** It is recommended that the dividends payable in 2006 based on operating results in 2005 should amount to RR 35,510.3 million.				

**GAZPROM'S POSITION
IN RUSSIAN AND GLOBAL GAS
MARKET**

Gazprom's share in the global export of natural gas amounted to 24.5 % in 2004. The Group supplies natural gas to the markets in Europe, CIS, and Baltic states. In 2004, Gazprom supplied more than 25 % of the natural gas consumed in the European countries¹.

Gazprom holds a special position in the Russian fuel and energy market. OAO "Gazprom" is included into the List of strategic enterprises and strategic joint-stock companies approved by Decree of the President of the Russian Federation № 1009 dated August 4, 2004. Its share in the natural gas production of the Russian Federation exceeds 85 %. Due to its acquisition of control over Sibneft in 2005 Gazprom has considerably consolidated its position in liquid hydrocarbons exploration ranking fifth in Russia in terms of oil and gas condensate production.

Gazprom supplies about 75 % of gas to industrial and household consumers in Russia, this still being done at regulated prices. There are also independent gas suppliers working in the non-regulated segment, whose share amounts to 15 % in the total Russian production and 25 % in the Russian market.

**PRODUCTION OF NATURAL
AND ASSOCIATED GAS, OIL,
AND GAS CONDENSATE
IN RUSSIA IN 2005.**

	Natural, and associated gas bcm	Share, %	Oil and gas condensate, thousand tons	Share, %
Gazprom	547.9	85.48	12,953	2.76
Novatek	25.4	3.96	2,395	0.51
Surgutneftegaz	14.4	2.25	63,859	13.58
Rosneft	13.0	2.03	74,418	15.83
TNK-BP	8.7	1.36	75,347	16.03
Lukoil	5.8	0.90	87,814	18.68
Sibneft	2.0	0.31	33,040	7.03
YUKOS	2.0	0.31	24,615	5.24
Slavneft	1.0	0.16	24,162	5.14
Russneft	1.0	0.16	12,181	2.59
Tatneft	0.7	0.10	25,332	5.39
Bashneft	0.4	0.06	11,934	2.54
Others	18.7	2.92	22,032	4.68
Total	641	100	470,082	100

GP "TsDU TEK" (Fuel and Energy Complex Central Dispatch Department), companies' data.

¹According to the statistical review "The Trends and Figures" by CEDIGAZ (July 2005)

A number of transactions were carried out on June 23, 2005 related to the purchase and sale of 2,542,500,000 shares of OAO "Gazprom", in the result of which 10.74 % of its shares owned by Gazprom subsidiaries were acquired by a state-owned company OAO "Rosneftegaz". Thus, the government obtained over 50 % of shares of the gas producer, which was a key prerequisite for OAO "Gazprom" share market liberalization enabling the disclosure of their fair value. The acquisition of OAO "Gazprom" shares by the state contributed to raising additional funds for the company development in the areas adjacent to its core activities, in particular in oil business.



Major Russian consumers of the natural gas produced by Gazprom are still the energy sector (38 %), households (16 %), and utility sector (10 %).

In planning its measures to develop business in the domestic market Gazprom is guided by the Russian energy strategy for the period up to 2020 (Energy Strategy) approved by the Government of the Russian Federation in 2003. In particular, the documents envisage an increase in Gazprom's production up to 580–590 bcm by 2020 making it possible to meet the domestic demand and fulfill its export obligations. The Energy Strategy envisages a gradual growth in the natural gas regulated prices in Russia in order to establish step-by-step an efficient internal gas market.

MISSION

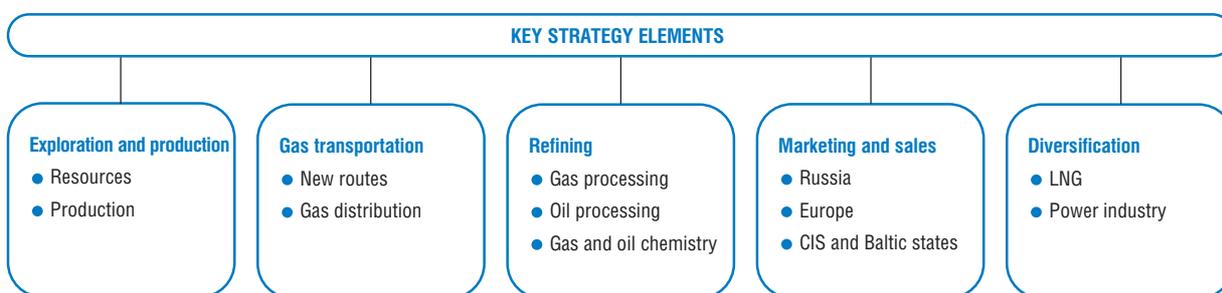
Ensure an efficient and balanced gas supply to consumers in the Russian Federation and fulfill long-term contracts and intergovernmental gas export agreements

DEVELOPMENT STRATEGY

STRATEGIC GOALS

Build the company's position as a world-leading energy company by ensuring reliable gas supplies and diversifying activities in the energy sector both in the domestic and foreign markets

KEY STRATEGY ELEMENTS



Gazprom's mission is to ensure an efficient and balanced gas supply to consumers in the Russian Federation and fulfill its long-term contracts and intergovernmental gas export agreements at a high level of reliability in accordance with the objectives outlined for the gas industry by the Government of the Russian Federation and the Russian Energy Strategy.

Gazprom's strategic goal is to further build up its position as a world leading energy company by ensuring reliable natural gas supplies and diversifying its activities in the energy sector both in the domestic and foreign markets.

In pursuing its activities Gazprom follows the following principles:

- raising the efficiency of all the links in the production chain;
- expanding and diversifying its activities through the implementation of projects with high added value;
- meeting the interests of all Gazprom shareholders;
- improving corporate governance and ensuring transparency of financial and business activities;
- maintaining the highest levels of personal responsibility and leadership in the managerial decision-making.

KEY ELEMENTS OF THE STRATEGY

Exploration Work and Production

Aiming at the recovery of its hydrocarbon reserves, Gazprom has devised a long-term program envisaging geologic exploration work in gas production areas with a focus on the Nadym-Pur-Tazovsky region (including the Ob and Tazovskaya bays) and the Precaspian oil-and-gas bearing provinces as well as in the promising gas production regions, such as the shelf in the Arctic seas, Yamal Peninsula, Eastern Siberia, and Far East. As per the scheduled program, the company plans to maintain a balanced growth in its reserves and production

during the next 5 years and ensure the enhanced reproduction of gas reserves in the future.

It intends to expand its participation in the exploration and development of hydrocarbon reserves abroad. In 2005, the list of projects in Vietnam, India, and Uzbekistan was extended by a project for the exploration of hydrocarbon reserves in Venezuela.

Gazprom's field development strategy includes investing in gas production sites in accordance with the priority list based on the economical efficiency of synchronous integrated development of gas production, transportation, processing, and storage facilities.

Gazprom plans to provide for the production of 550-560 bcm of gas by 2010 and 580-590 bcm by 2020 in order to meet the needs of the domestic market and fulfill its contractual obligations and international agreements for gas export supplies. The production will be carried out both in traditional gas production areas (primarily in the Nadym-Pur-Tazovsky region) and in new oil-and-gas bearing provinces (the Yamal Peninsula, the shelf in the Arctic seas, Eastern Siberia, and Far East).

In the period up to 2010, the company plans to provide for scheduled gas production volumes by means of commissioning additional facilities at its existing fields and commissioning new fields in the Nadym-Pur-Tazovsky region (the Yuzhno-Russkoye field, the Kharvutinskaya area of the Yamburgskoye field, Lower Cretaceous deposits of the Zapolyarnoye and Pestsovoye fields, and Achimovsk formations of the Urengoiskoye field) located close to the existing infrastructure facilities, which predetermines the cost efficiency of their development.

In order to continue to evolve into a global energy company and a leader in the global energy market, Gazprom is striving to considerably consolidate its positions in the oil industry. This will ensure further diversification of the sources of income and decrease the Group's financial dependency upon gas exports and supplies to the domestic market. The acquisition of Sibneft in 2005 is aimed at solving this strategic objective. Integration of Sibneft into Gazprom Group will allow for the further development of Gazprom's vast liquid hydrocarbon reserves.

Gas Transportation

One of the major factors in determining field development priorities is the efficiency of gas supplies. This is primarily determined by the cost of arranging for a particular field's connection to the gas transportation system which can be very capital intensive.

In determining the long-term sequence of commissioning new gas transportation facilities, the company takes into account the expected timing for their efficient load and options available for providing the best performance of the existing gas transportation system.

In order to supply gas to the domestic market and fulfill its contractual obligations related to the export of gas, Gazprom seeks to implement trunk pipeline construction projects. The most significant projects currently are the construction of a pipeline to connect the Northern areas of the Tyumen Region with Torzhok (SRTO – Torzhok) and the North European Gas Pipeline.

On September 2, 2005, the first tanker with Gazprom's liquefied natural gas arrived at the Cove Point regasification terminal in the USA. Gazprom stepped over the Atlantic to enter the world's most promising LNG market. A number of Memorandums of Understanding have been signed with such American companies as Chevron, ConocoPhillips, ExxonMobil, and Sempra Energy, which envisage Gazprom participation in projects of LNG regasification in North America, marketing of gas supplies to the USA, and carrying out gas exchange transactions using gas pipelines in North American, as well as these companies' participation in the LNG production project in Russia. Gazprom strategic goal is to arrange long-term contracts for direct Russian LNG supply to the USA.



In order to ensure the reliability of gas supplies and cost optimization the company applies advanced diagnostic methodologies, reconstructs and refurbishes its gas transportation facilities, as well as expands the capacity of its underground gas storage facilities (UGSF).

Refining

Gazprom intends to increase the depth of feedstock processing to be able to extract the maximum amount of valuable components. In pursuing this objective the company plans to conduct technical refurbishment and reconstruction of its existing production facilities. Restructuring of the petrochemical company OAO "Sibur Holding" (Sibur Holding) within Gazprom Group is currently underway. Obtaining products of higher depth of processing at Sibur Holding companies will allow for a more efficient use of the raw materials produced at Gazprom's fields. Sibneft's refining facilities will considerably strengthen Gazprom's refinery segment.

Marketing and Sales

Gazprom marketing strategy for the gas transported through trunk pipelines is formulated considering the peculiarities of individual sale market.

Gazprom's strategy in the Russian domestic market consists of ensuring continuous gas supply to the country and making the sales more profitable. In cooperating with state authorities and trying to devise a gas market development strategy Gazprom sticks to the development of a two-sector wholesale market with a step-by-step reduction in the regulated sector and expansion of the non-regulated one. In the first stage, gas should be sold to production consumers at contractual prices based on supply and demand forces and determined using such technologies as e-commerce and exchange trade. Meanwhile state-regulated prices are suggested to be maintained for the gas supplies to households, housing and community services, budgetary consumers, and heat producers for households. The creation of an unregulated gas market sector will help establish market relations, while stimulating inter-fuel competition and implementation of energy-saving technologies.

Gazprom's key objective in Europe market is to maintain its market leading position, provide for reliable gas supply, and gain access to ultimate consumers. The fundamental principle of the export strategy is to maintain "a single-channel" export system. These objectives are planned to be achieved through developing relationships with traditional customers on a long-term contractual basis and using new forms of trade based on long-term and medium-term sales, as well as gas exchange transactions.

In the interest of consolidating its position in the European natural gas market and improving reliability and flexibility of gas supplies, Gazprom intends to expand the use of underground gas storage facilities in Europe and increase its shareholding in the companies engaged in the sale of gas and electric power to ultimate consumers.

The key objective of the company's marketing strategy in the CIS countries is to ensure that the Russian gas will continue to maintain its predominant position in the energy sector of the former Soviet republics while adjusting the existing agreements in order to move to contractual terms and conditions and pricing mechanisms similar to those existing in the European countries. Taking into account economic difficulties in the CIS countries, Gazprom aims for a gradual transition to economically reasonable price levels in exchange for getting access to ultimate consumers through participation in the privatization of energy facilities. One of the major tasks in CIS countries is to minimize transit risks, thus providing for continuous fulfillment of its contractual obligations concerning gas export to Europe.

In order to ensure certain flexibility in the development of fields in the new gas production regions in Russia, Gazprom strives to potentially seek cooperation in developing gas reserves as well as upgrading and improving gas transportation systems in Central Asian countries. Central Asian gas resources open new possibilities in expanding sale markets and maintaining reliable supplies to the traditional consumers.

In addition to the above markets Gazprom intends to consolidate its positions in the new markets in the USA and the Asian and Pacific Region.

Diversification of Products and Activities

One of Gazprom's priorities in its foreign trade activities is to implement its strategy of liquefied natural gas (LNG) production and sea transportation. The Shtokmanovskoye gas condensate field in the Barents Sea is widely considered to be an advantageous resource base for LNG production. The target routes include LNG supply to the Gulf of Mexico and the US East coast by tankers, while LNG supply to Europe is being contemplated as well.

Gazprom intends to expand its activities in the field of electric power. In 2004 and 2005, Gazprom acquired a 10.5 % shareholding in RAO "UES of Russia" (RAO UES) and a 25.01 % shareholding in OAO "Mosenergo" (Mosenergo). The company plans to continue taking part in investment projects related to the construction of power stations in the territory of the Russian Federation and abroad.

The integration of new energy segments with Gazprom's traditional gas-related activities will provide for the realization of important synergies and lead to the creation of a vertically integrated energy company and a world leader.

**ОАО "GAZPROM" BOARD
OF DIRECTORS AND MANAGEMENT
COMMITTEE**

BOARD OF DIRECTORS

Members of the Board of Directors in 2005

MEDVEDEV Dmitri Anatolievich

Chairman of the Board of Directors,
Head of the Presidential Administration of the Russian Federation (till November 2005), First deputy Head of the Government of the Russian Federation (since November 2005)

MILLER Alexei Borisovich

Deputy Chairman of the Board of Directors,
Chairman of the Management Committee of ОАО "Gazprom"

ANANENKOV Alexander Georgievich

Member of the Board of Directors,
Deputy Chairman of the Management Committee of ОАО "Gazprom"

BERGMANN Burckhard

Member of the Board of Directors,
Member of the Management Committee of E.ON AG
Chairman of the Management Committee of E.ON Ruhrgas AG

GAZIZULLIN Farit Rafikovich

Member of the Board of Directors

GRAF German Oskarovich

Member of the Board of Directors,
Minister for Economic Development and Trade of the Russian Federation

KARPEL Elena Evgenyevna

Member of the Board of Directors,
Head of Economic appraisal and pricing department of ОАО "Gazprom"

SEREDA Mikhail Leonidovich

Member of the Board of Directors,
Deputy Chairman of the Management Committee -
Head of Administration of ОАО "Gazprom" Management Committee

FEDOROV Boris Grigorievich

Member of the Board of Directors

KHRISTENKO Victor Borisovich

Member of the Board of Directors,
Minister of Industry and Energy of the Russian Federation

YUSUFOV Igor Khanukovich

Member of the Board of Directors,
Special Representative of the President of the Russian Federation
for International Energy Cooperation,
Ambassador-at-large of the Ministry of Foreign Affairs of the Russian Federation

**Information about Members
of the Board of Directors as of December 31, 2005**

MEDVEDEV Dmitri Anatolievich

Born in 1965, graduated from the A.A.Zhdanov Leningrad State University
Positions held over the past 5 years:
2001-2003 - first deputy Head of the Presidential Administration of the Russian Federation
2003 - 2005 - Head of the Presidential Administration of the Russian Federation
since 2005 - First deputy Head of the Government of the Russian Federation
Has no shareholding in OAO "Gazprom"



MILLER Alexei Borisovich

Born in 1962, graduated from the N.A.Voznesensky Leningrad Financial and Economic Institute
Positions held over the past 5 years:
2001 - deputy Minister of Energy of the Russian Federation
since 2001 - Chairman of the Management Committee of OAO "Gazprom"
Shareholding in OAO "Gazprom" - 0.00000027 %



ANANENKOV Alexander Georgievich

Born in 1952, graduated from the Ufa Oil Institute and the Academy of National Economy under the Council of Ministers of the USSR.
Positions held over the past 5 years:
2001 - General Director of OOO "Yamburggazdobycha"
since 2001 - deputy Chairman of Management Committee of OAO "Gazprom"
Shareholding in OAO "Gazprom" - 0.00709654 %





BERGMANN Burckhard

Born in 1943, graduated from the Aachen Institute of Technology.

Positions held over the past 5 years:

2001 - deputy Chairman of the Executive Board of Ruhrgas AG

2001-2003 - Chairman of the Executive Board of Ruhrgas AG

since 2003 – member of the Executive Board of E.ON AG,

Chairman of the Executive Board of E.ON Ruhrgas AG

Has no shareholding in OAO “Gazprom”



GAZIZULLIN Farit Rafikovich

Born in 1946, graduated from the Gorky Institute of Water Transport Engineers.

Positions held over the past 5 years:

2001-2004 - Minister for Property Relations of the Russian Federation

Has no shareholding in OAO “Gazprom”



GREF German Oskarovich

Born in 1964, graduated from Omsk State University.

Positions held over the past 5 years:

since 2001 - Minister for Economic Development and Trade of the Russian Federation

Has no shareholding in OAO “Gazprom”

KARPEL Elena Evgenyevna

Born in 1944, graduated from the D.S.Korotchenko Kiev Institute of National Economy
Positions held over the past 5 years:
since 2001 – Head of Economic appraisal and pricing department of OAO “Gazprom”
Shareholding in OAO “Gazprom” – 0.00086595 %

**SEREDA Mikhail Leonidovich**

Born in 1970, graduated from the St.Petersburg State University of Economy and Finance.
Positions held over the past 5 years:
2001 - deputy General Director for Finance of OAO “Baltic Pipeline System” (BTS)
2001 - deputy Head for Economy of BTS branch OAO “Verhnevolzhskie Magistralnye Nefteprovody” (Verhnevolzhskie Trunk Pipelines)
2001-2004 - Head of Administration of OAO “Gazprom” Management Committee
since 2004 - Deputy Chairman of the Management Committee of OAO “Gazprom” -
Head of Administration of OAO “Gazprom” Management Committee
Has no shareholding in OAO “Gazprom”

**FEDOROV Boris Grigorievich**

Born in 1958, graduated from the Moscow Financial Institute.
Positions held over the past 5 years:
since 2001 - President of the all-Russia public and political movement “Russia, Ahead!”
Shareholding in OAO “Gazprom” – 0.00000422%





KHRISTENKO Victor Borisovich

Born in 1957, graduated from the Chelyabinsk Polytechnic Institute and the Academy of National Economy under the Government of the Russian Federation
Positions held over the past 5 years:
2001-2004 - deputy Prime Minister of the Russian Federation
since 2004 - Minister of Industry and Energy of the Russian Federation
Has no shareholding in OAO "Gazprom"



YUSUFOV Igor Khanukovich

Born in 1956, graduated from the Novocherkasskiy Polytechnic Institute and All-Union Academy of Foreign Trade.
Positions held over the past 5 years:
2001 - general director of the Russian agency for government reserves
2001-2004 - Minister of Energy of the Russian Federation
since 2004 - Special Representative of the President of the Russian Federation for International Energy Cooperation,
Ambassador-at-large of the Ministry of Foreign Affairs of the Russian Federation
Has no shareholding in OAO "Gazprom"

OAO "GAZPROM" BOARD OF DIRECTORS' REPORT ON WORK IN PRIORITY AREAS OF ACTIVITY

In 2005, OAO "Gazprom" Board of Directors held 46 meetings and adopted resolutions on a total of 142 issues including such key areas as the company's development strategy, operation improvement, asset management, and control over the results of OAO "Gazprom" financial and business activities.

Improving Management Efficiency, Transparency and Control over Spending

The Board of Directors considered the implementation of measures to improve OAO "Gazprom" internal corporate management structure. It approved the consolidation of core activities in specialized companies and the transformation of services and social infrastructure into separate legal entities.

It approved the Major principles for investment projects implementation in OAO "Gazprom" using project finance methods. The document primarily aims at standardizing the procedures for preparing such projects for their implementation.

The Board of Directors made amendments to the Procedures for transactions and Procedures for OAO "Gazprom" interaction with companies and organization, in which OAO "Gazprom" has a shareholding. The investment efficiency valuation is based on advanced methodologies of forecast and analysis of investees' activities. A Program for the improvement of OAO "Gazprom" representatives' activities in the investees' management bodies was adopted.

A Concept of OAO "Gazprom" cost management was approved. The major objectives of this new cost management system are to improve the efficiency of resource usage, the soundness and quality of management decisions; prepare complete, comparable, and transparent information about the cost level; and to distribute powers and responsibilities for efficient resource usage throughout all management levels.

Strategic Financial Planning

The Board of Directors approved target values for OAO "Gazprom" performance for 2005 and 2006 and a list of strategic target values for OAO "Gazprom" development, including the economic profit increase, net profit ratio of its capital, debt to capital ratio, production and sales volumes, total reserves, and the reserve recovery ratio.

It considered and approved the OAO "Gazprom" Budget (financial plan) and OAO "Gazprom" Investment program.

In the reporting year the work concerning creation of a financial model for OAO "Gazprom" development for the period up to 2015 was analyzed. It will be based on the Russian Energy Strategy, the plans of Russia's social and economic development, OAO "Gazprom" forecast gas balances, scenarios of gas price changes, and the tax burden level.

Strategic Issues of Gazprom Development by Types of Activities

In the reporting year, the Board of Directors considered the medium- and long-term strategy of OAO "Gazprom" gas production, in particular the identification of strategic priorities in gas production, preparation of program documents with regard to Gazprom development, drafting projects for gas production in new oil-and-gas bearing regions.

It approved the following major directions in improving gas transportation through OAO "Gazprom" trunk pipelines: maintaining the throughput capacity at a technically permissible level; expanding the gas transportation system in order to raise the volumes of gas received; providing for the new gas transportation routes; decreasing the operational costs of gas transportation companies; and establishing fair transportation tariffs and gas prices.

It considered the concept of Central Asian gas purchases, which determines that this gas is an important element of the strategy for the development and diversification of OAO "Gazprom" resource base. It established the task of providing for the long-term supply of Central Asian gas to Russia and other countries.

The Board of Directors approved the development strategy for OAO "AK "Sibur" for the period from 2004 through 2011. Any debts owed by OAO "AK "Sibur" to OAO "Gazprom" and its subsidiaries are to be repaid by the shares of the newly established open joint-stock company. In order to raise the efficiency of OAO "Gazprom" investment in the petrochemical business, the Board of Directors approved the principal of working in the market conditions as the main principle for the relationship between OAO "Gazprom" and OAO "AK "Sibur".

In pursuing its task to develop the Russian gas market, the Board of Directors considered the issues relating to the expansion of the non-regulated sector of the wholesale gas market. It was decided to boost work in this field with the executive authorities, independent gas producers and non-commercial organizations engaged in the gas supply sphere.

The Board of Directors continuously monitored the implementation of liquefied natural gas projects. The tasks to enter LNG markets can be completed successfully if a special joint system is created for managing the projects aimed at developing this type of business.

MANAGEMENT COMMITTEE

List of Members of the Management Committee in 2005

MILLER Alexei Borisovich

Chairman of the Management Committee

Members of the Management Committee

ANANENKOV Alexander Georgievich

Deputy Chairman of the Management Committee

VASILIEVA Elena Alexandrovna

Deputy Chairman of the Management Committee - Chief Accountant of OAO "Gazprom"

KOZLOV Alexander Nikolaevich

Deputy Chairman of the Management Committee

KRUGLOV Andrei Vyacheslavovich

Deputy Chairman of the Management Committee - Head of Finance and economics department

MEDVEDEV Alexander Ivanovich

Deputy Chairman of the Management Committee, general director of OOO "Gazexport"

RYAZANOV Alexander Nikolaevich

Deputy Chairman of the Management Committee, President of OAO "Sibneft"

USHAKOV Sergey Konstantinovich

Deputy Chairman of the Management Committee, general director of the Security service of OAO "Gazprom"

BUDZULYAK Bogdan Vladimirovich

Head of Gas transportation, underground storage and utilization department

GOLUBEV Valeri Alexandrovich

Head of Investments and civil construction department, general director of OOO "Gazkomplektimpex"

ILYUSHIN Viktor Vasilievich

Head of Department for relationships with regional authorities of the Russian Federation

PAVLOVA Olga Petrovna

Head of Asset management and corporate relations department

PODYUK Vasili Grigorievich

Head of Natural gas, gas condensate and oil production department

RUSAKOVA Vlada Vilorikovna

Head of Strategic development department

SELEZNEV Kirill Gennadievich

Head of Gas and liquid hydrocarbons processing and marketing department,
general director of OOO "Mezhregiongaz"

CHUICHENKO Konstantin Anatolievich

Head of the Legal department

Information about members of the Management Committee elected in 2005

KOZLOV Alexander Nikolaevich

Deputy Chairman of the Management Committee
(elected by the Board of Directors' decision №688 March 18, 2005)

**Information about members of the Management Committee
whose authorities were terminated in 2005**

AKSELROD Mikhail Arkadievich

Head of Department of capital construction and transportation
(authority of member of the Management Committee ceased by the Board
of Directors' decision №686 March 18, 2005)

GUSLISTY Nikolai Nikiforovich

Deputy Chairman of the Management Committee
(authority of member of the Management Committee ceased
by the Board of Directors' decision №687 March 18, 2005)

KOMAROV Yuri Alexandrovich

Deputy Chairman of the Management Committee
(authority of member of the Management Committee ceased
by the Board of Directors' decision №704 May 12, 2005)

Information about members of the Management Committee in 2005**MILLER Alexei Borisovich**

Born in 1962, graduated from the N.A.Voznesensky Leningrad Financial and Economic Institute.

Positions held over the past 5 years:

2001 - deputy Minister of Energy of the Russian Federation

since 2001 - Chairman of the Management Committee of OAO "Gazprom"

Shareholding in OAO "Gazprom" - 0.00000027 %

**ANANENKOV Alexander Georgievich**

Born in 1952, graduated from the Ufa Oil Institute and the Academy of National Economy under the Council of Ministers of the USSR.

Positions held over the past 5 years:

2001 - General Director of OOO "Yamburggazdobycha"

since 2001 - deputy Chairman of the Management Committee of OAO "Gazprom"

Shareholding in OAO "Gazprom" - 0.00709654 %

**VASILIEVA Elena Alexandrovna**

Born in 1959, graduated from the N.A.Voznesensky Leningrad Financial and Economic Institute.

Positions held over the past 5 years:

2001 - Chief Accountant of OAO Baltic Pipeline System (BTS)

and then Chief Accountant of BTS Branch OAO "Verhnevolzhskie Trunk Pipelines"

2001 - deputy Head of the Administration of the Management Committee -

Assistant to the Chairman of the Management Committee of OAO "Gazprom"

since 2001 - deputy Chairman of the Management Committee -

Chief Accountant of OAO "Gazprom"

Has no shareholding in OAO "Gazprom"





KOZLOV Alexander Nikolaevich

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

Positions held over the past 5 years:

2001-2004 – deputy Chief of the Administration of the President of the Russian Federation

2004-2005 – Head of the Main logistic and transportational department of the Administration of the President of the Russian Federation.

since 2005 - deputy Chairman of the Management Committee of OAO “Gazprom”

Has no shareholding in OAO “Gazprom”



KRUGLOV Andrei Vyacheslavovich

Born in 1969, graduated

from the St.Petersburg Technological Institute of Refrigeration Industry.

Positions held over the past 5 years:

2001- Head of Section of foreign trade and investments of the Department for foreign economic cooperation of the Committee for foreign relations of St. Petersburg Administration

2001-2002 - deputy director of OOO “Invest-In”

2002-2003 - Head of Department of corporate finance of OAO “Gazprom”

2003-2004 - Head of Department of finance and economics of OAO “Gazprom”, Member of the Management Committee of OAO “Gazprom”

since 2004 - Deputy Chairman of the Management Committee - Head of Finance and economic department of OAO “Gazprom”

Shareholding in OAO “Gazprom” - 0.00006336 %



MEDVEDEV Alexander Ivanovich

Born in 1955, graduated from the Moscow Physics and Technical Institute.

Positions held over the past 5 years:

2001-2002 - director of Company “IMAG Investment Management & Advisory Group GmbH”, Austria

2002-2005 - general director of OOO “Gazexport”, member of the Management Committee of OAO “Gazprom”

since 2005 – deputy Chairman of the Management Committee of OAO “Gazprom”, general director of OOO “Gazexport”

Has no shareholding in OAO “Gazprom”

RYAZANOV Alexander Nikolaevich

Born in 1953, graduated from the I.M.Gubkin Moscow Institute of Petrochemical and Gas Industry, All-Union Correspondence Financial and Economic Institute.

Positions held over the past 5 years:

2001 - delegate and deputy Chairman of the Committee for Property of the State Duma of the Federal Assembly of the Russian Federation

since 2001 - deputy Chairman of the Management Committee of OAO "Gazprom"

since 2005 – deputy Chairman of the Management Committee of OAO "Gazprom", President of OAO "Sibneft".

Shareholding in OAO "Gazprom" - 0.00513865 %

**USHAKOV Sergey Konstantinovich**

Born in 1952, graduated from the A.A.Zhdanov Leningrad State University.

Positions held over the past 5 years:

2001-2002 - employee of the Directorate of the Federal Securities Service for St. Petersburg and the Leningrad region

2002-2003 - deputy director of the Federal Protection Services of the Russian Federation

since 2003 - deputy Chairman of the Management Committee of OAO "Gazprom", general director of the Security service of OAO "Gazprom"

Has no shareholding in OAO "Gazprom"

**BUDZULYAK Bogdan Vladimirovich**

Born in 1946, graduated from the Ivano-Frankovsk Oil and Gas Institute.

Positions held over the past 5 years:

2001 - Head of Department of gas transportation and utilization of OAO "Gazprom"

since 2001 - Head of Gas transportation, underground storage and utilization department of OAO "Gazprom"

Shareholding in OAO "Gazprom" - 0.00443534%




GOLUBEV Valeri Alexandrovich

Born in 1952, graduated from the V.I.Ulianov (Lenin) Leningrad Electrotechnical Institute and the Academy of National Economy under the Government of the Russian Federation.

Positions held over the past 5 years:

2001-2002 - chairman of the Tourism Committee of the St.Petersburg Administration

2002-2003 – member of the Federal Council of the Federal Assembly of the Russian Federation, member of the Federal Council Committee for Science, Culture, Education, Health and Ecology, member of the Federal Council Committee for the Foreign Affairs, member of the Federal Council Committee for Relationship with the Audit Chamber of the Russian Federation, member of the Federal Council Committee for the Implementation Methodology of the Constitutional Authority of the Federal Council, member of the Federal Council Committee for Youth and Sports, member of the Federal Council Committee for Natural Monopolies, deputy Head of the Federal Council Committee for the Foreign Affairs

2003-2005 – general director of OOO “Gazkomplektimpex”

since 2005 – Head of Investments and civil construction department of OAO “Gazprom”

Shareholding in OAO “Gazprom” - 0.00035060%


ILYUSHIN Viktor Vasilievich

Born in 1947, graduated from the Urals Polytechnic Institute and the Academy of Social Sciences under the Communist Party Central Committee.

Positions held over the past 5 years:

since 2001 - Head of Department for relationships

with regional authorities of the Russian Federation of OAO “Gazprom”

Has no shareholding in OAO “Gazprom”


PAVLOVA Olga Petrovna

Born in 1953, graduated from Far East State University.

Positions held over the past 5 years:

2001-2002 – senior lecturer of the Department of Civil Law at St.Petersburg State University

2002-2003 - deputy Head of Economic Management of the President of the Russian Federation

since 2003 - Head of Asset management and corporate relations department of OAO “Gazprom”

Has no shareholding in OAO “Gazprom”

PODYUK Vasilii Grigorievich

Born in 1946, graduated from the Ivano-Frankovsk Oil and Gas Institute.

Positions held over the past 5 years:

2001-2002 - Head of Department of gas, gas condensate and oil production and procession of OAO "Gazprom"

since 2002 - Head of Natural gas, gas condensate and oil production department of OAO "Gazprom"

Shareholding in OAO "Gazprom" - 0.00084483 %


RUSAKOVA Vlada Vilorikovna

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

Positions held over the past 5 years:

2001-2002 – Head of Directorate of forecasting growth strategies of Department of long-term development of OAO "Gazprom"

2002-2003 - Head of Directorate of forecasting growth strategies of Department of long-term development, science and ecology of OAO "Gazprom"

since 2003 - Head of Strategic development department of OAO "Gazprom"

Shareholding in OAO "Gazprom" - 0.00019009 %


SELEZNEV Kirill Gennadievich

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

Positions held over the past 5 years:

2001 - Head of the Tax Group of OAO "Baltiiskaya Truboprovodnaya Sistema" (Baltic Pipeline System - BTS)

2001-2002 - Deputy Head of the Administration of the Management Committee - assistant to the Chairman of the Management Committee of OAO "Gazprom"

2002-2003 - Head of Department for marketing and processing of gas and liquid hydrocarbons of OAO "Gazprom"

since 2003 - Head of Gas and liquid hydrocarbons processing and marketing department of OAO "Gazprom", general director of OOO "Mezhregiongaz"

Has no shareholding in OAO "Gazprom"





CHUICHENKO Konstantin Anatolievich

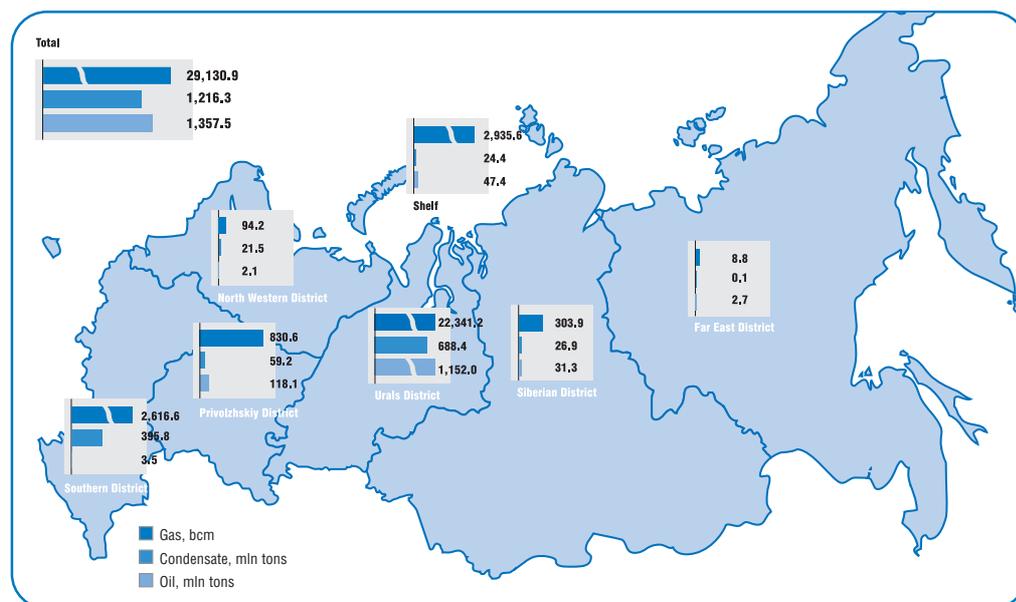
Born in 1965, graduated from the A.A.Zhdanov Leningrad State University and Yu.V.Andropov Red Banner Institute.
Positions held over the past 5 years:
2001 – member and lawyer of the First legal advice center of the Moscow branch of the International “St. Petersburg” Bar Association
since 2001 - Head of the Legal department of OAO “Gazprom”
Has no shareholding in OAO “Gazprom”

Total compensation of the members of the Bord of Directors and the members of the Management Committee.

Total compensation of the members of the Board of Directors, the members of the Management Committee and the Chairman of the Management Committee paid by OAO “Gazprom” in 2005 was RR424,328,000.

EXPLORATION AND PRODUCTION

Gazprom ranks first in the world in terms of explored hydrocarbon reserves and hydrocarbon production, being far ahead of other publicly traded companies.

Mineral Resource Base

DISTRIBUTION OF GAZPROM GROUP'S HYDROCARBON RESERVES IN THE RUSSIAN FEDERATION

In 2005, Gazprom Group's natural gas reserves grew by 210.8 bcm to 29.1 tcm and its liquid hydrocarbon reserves increased by 699.3 million tons up to 2,573.8 million tons. The incremental growth in liquid hydrocarbon reserves was mainly achieved through the acquisition of Sibneft, whose oil reserves amounted to 730.8 million tons as of the end of 2005.

An important result reached in 2005 was that the incremental growth of reserves volume through exploration work exceeded the annual production volumes, which is in line with Gazprom strategic goals.

	Reserves 31.12.2004 (in accordance with the 2004 valuation methodology)	Change in reserves					Reserves as of 31.12.2005 (in accordance with the changed valuation methodology)
		Exploration	Revaluation	Acquisition/sale of assets*	Licenses**	Production, inclusive of losses***	
Gas, bcm	28,920.1	583.4	8.3	218.4	-39.7	-559.6	29,130.9
Condensate, million tons	1,225.4	15.5	-6.4	-8.0	-1.7	-8.5	1,216.3
Oil, million tons	649.1	17.6	-7.9	733.1	-0.1	-34.3	1,357.5

* Including the influence of changes in the reserve accounting system. The subsidiaries' reserves are recorded without taking into account the associated companies' reserves. The associated companies and subsidiaries used to be accounted for pro rata to the shareholding.

** Including the transfer of the incremental growth of reserves based on the results of exploration in the areas covered with NP category licenses (exploration and assessment of the field) into the unallocated mineral reserve fund of the Russian Federation. According to the Russian legislation, the company, which has explored reserves in the certain licensed areas, has a top-priority to get the license for its development.

*** Annual production of all the companies within the Group as of the end of the reporting period, including the annual production of the companies, which became part of Gazprom Group during the reporting period.

GAZPROM GROUP'S HYDROCARBON RESERVES FLOW

Based on the results in 2005, an independent company DeGolyer and MacNaughton audited 95 % of gas reserves, 90 % of gas condensate, and 90 % of oil (categories A+B+C₁) (excluding Sibneft). According to the valuation results, the proved and probable natural gas reserves amounted to 20.7 tcm, gas condensate reserves being 690.5 million tons and oil reserves being 299.5 million tons. Their present value is estimated at US \$ 138.6 billion.

Licenses

Gazprom held 229 licenses for the use of mineral resources as of December 31, 2005, including 154 hydrocarbon production licenses, 43 geologic examination licenses and 32 licenses for the search, construction, and operation of underground gas storage facilities, for the storage of helium concentrate, gas concentrate, and methanol. These include 59 licenses held by Sibneft, 49 of which are hydrocarbon production licenses and 10 are geologic examination licensees.

In the reporting year, two licenses were obtained for the search, exploration, and production of hydrocarbons at the Rybalny block and Bukharovsky block as a result of auctions for the right to use the mineral resources and two licenses were obtained for the exploration and production of hydrocarbon raw materials at the Dolginskoye and Beryambinskoye fields after the fact of discovery was recorded. The company received two certificates confirming the discovery of the Ninelskoye and Chugoryakhinskoye fields.

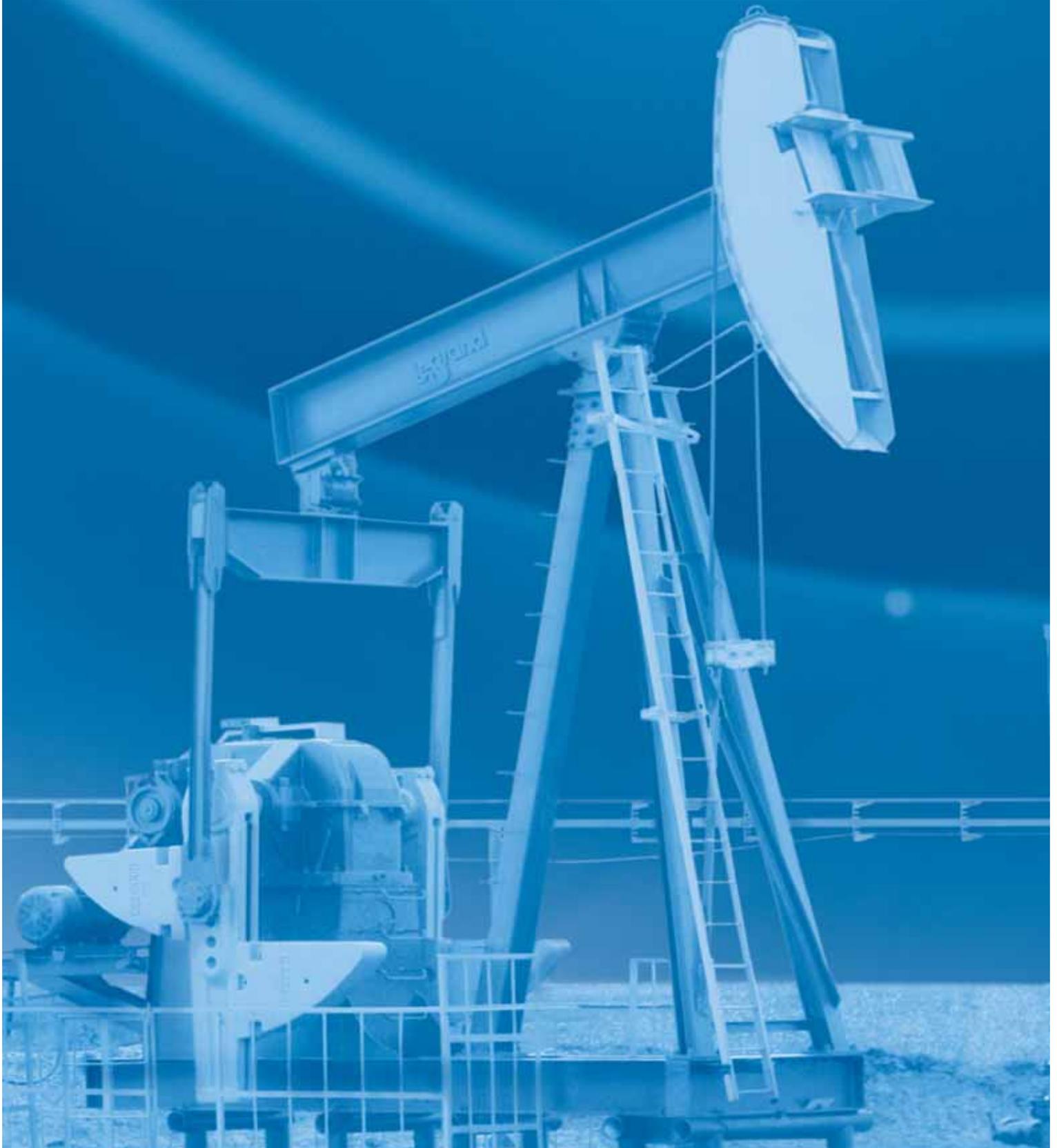
Strategy of Reserves Incremental Growth and Utilization

**PROMISING
AREAS
FOR EXPLORATION
WORK
IN RUSSIAN
FEDERATION**



The main goal of exploration carried out by Gazprom is the recovery of the hydrocarbon production volumes by reserves of industrial categories in gas production areas (the Nadym-Pur-Tazovsky region including the Ob and Tazovskaya bays) as well as preparation of the raw material base in the promising regions (the Yamal Peninsula, the shelf in the Arctic seas, Eastern Siberia, and Far East). In performing its exploration work the company applies state-of-the-art technologies, which considerably improve the efficiency of these operations.

In October 2005, Gazprom acquired a 72.66 % shareholding in the oil company OAO "Sibneft" from Millhouse Capital for US\$13.079 billion bringing its shareholding in OAO "Sibneft" up to 75.68 %. The expansion of Gazprom's oil component proved another step forward in reaching the company's strategic goal to diversify its business and contributed to the strengthening and balancing of the Russian energy resource market as a whole, as well as providing consumers with stable supply of oil products.



In 2005, Gazprom Group (exclusive of Sibneft) allocated RR 15.1 billion for exploration, including 67 % for deep exploration well drilling and 20 % for seismic survey work. 142.2 thousand meters of search and exploration wells were drilled, 10.4 thousand km of 2D and 3.2 thousand square km of 3D seismic survey cross-sections were processed.

The major incremental growth in gas reserves of 399.2 bcm was obtained at the Shtokmanovskoye gas condensate field. 3 new fields and 14 deposits at the fields were discovered as a result of exploration.

In 2005, the company adjusted certain figures in the Program for the mineral base development for the period up to 2030, which was developed in 2002. The Program defines key directions in exploration and license policy.

EXPLORATION WELLS

DRILLED IN 2005

	Penetration, thousand m	Completed wells pcs
Gas	89.7	25
Oil	46.5	19

Excluding Sibneft's figures.

Program implementation stages

- from 2002 through 2005 – increasing the reserves and balancing the hydrocarbon production and reserve incremental growth;
- from 2006 through 2010 – stabilizing exploration volumes and laying a foundation for expanded recovery;
- from 2011 through 2030 – expanded recovery of the mineral resource base.

The aim of the Program is to provide between 2002 and 2030 an incremental growth in gas reserves of 23.5 tcm and that in gas condensate and oil of 3.4 billion tons. The implementation cost for the period up to 2030 is estimated at US \$ 32 billion.

The implementation of the Program between 2002 and 2005 resulted in a discovery of 17 oil and gas fields and 24 oil and gas deposits. The incremental growth in hydrocarbon reserves resulting from exploration exceeds 1.8 tcm of gas and 0.2 billion tons of gas condensate and oil in the current period.

Gazprom is expanding its exploration activities outside Russia. In September 2005, OAO "Gazprom" won a tender for Phase "A" of the Rafael Urdaneta Project in Venezuela and obtained licenses to carry out exploration and produce hydrocarbons in the investment blocks known as "Urumaco 1" and "Urumaco 2". The scheduled investment is to total US \$ 43 million. Exploration drilling and seismic works were carried out at the Vietnamese shelf and India as well. The South Pars field development project (Iran) started to reimburse investments.

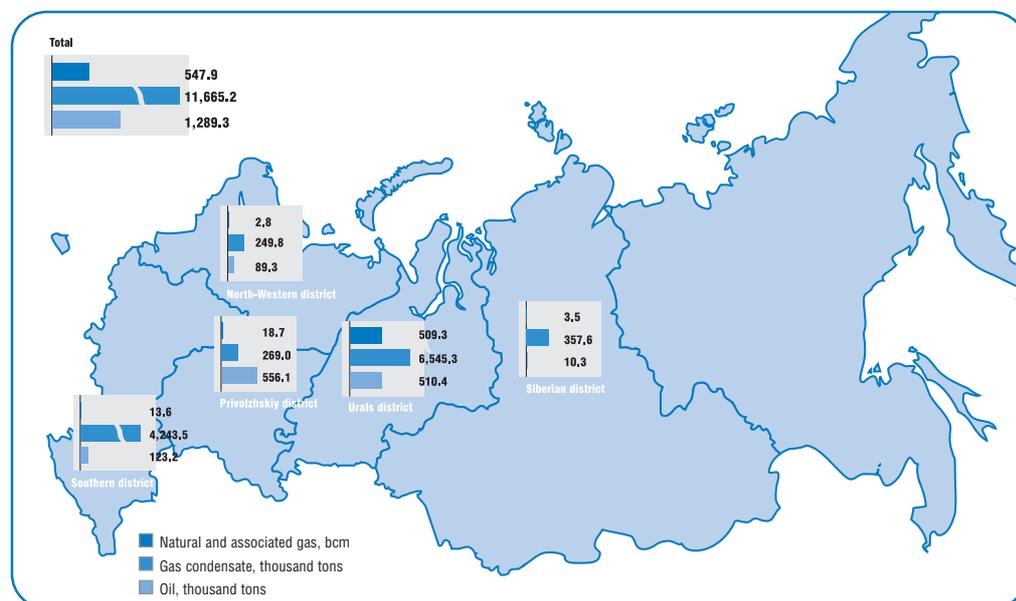


Jack-up floating drilling rig "Amazone" is designed for drilling oil and gas wells with a depth of up to 3 kilometers.

In 2005, it was used to drill two wells for the total penetration of 5,220 m in the Tazovskaya bay. Three gas condensate deposits were discovered. The incremental growth in reserves amounted to 40 bcm of gas and 1.6 million tons of condensate.

A jack-up floating drilling rig "Arkticheskaya" is currently constructed for drilling wells on the shelf in the Arctic seas and a floating drilling rig "Obsky-1" for drilling wells on the shallow parts of the shelf in the Ob and Tazovskaya bays.

Natural Gas Production



GAZPROM GROUP'S
PRODUCTION
OF HYDROCARBONS
SPREAD
BY REGIONS
OF RUSSIAN
FEDERATION

Gazprom is Russia's largest gas producer and has been successful in implementing its strategic goal of increasing gas production in a balanced manner. In 2005, gas production increased by 2.8 bcm. Gazprom Group Companies produced¹ 547.9 bcm, which amounts to 85.5 % of the total volume of production in Russia. An additional 0.5 bcm of gas was produced by Sibneft in the 4th quarter of 2005. The incremental growth in production was due to the new facilities in Western Siberia mostly commissioned in the end of 2004 and the production recovery at the West Tarkosalinsk field (OOO "Purgazdobycha" (Purgazdobycha) being the holder of the license), the operation of which was partially suspended in 2004 due to the title re-registration.

	2004	2005	2005/2004, %
Number of fields being developed	78	83	106.4
Gas production wells, pcs	6,652	6,976	104.9
including those in operation, pcs	6,094	6,434	105.6
Oil production wells, pcs	375	406	108.3
including those in operation, pcs	202	297	147.0
Comprehensive and preliminary gas treatment units (CGTU, PGTU), pcs	161	169	105.0
CGTU aggregate project capacity, bcm	909.0	939.6	103.4
Booster compressor stations/ workshops (BCS), pcs	41 /69	44 /72	107.3/104.4
BCS installed capacity, MW	3,956.1	4,176.1	105.6

Excluding Sibneft's figures.

PRODUCTION CAPACITIES
OF GAZPROM GROUP'S
GAS PRODUCTION COMPANIES

¹Gazprom's production volume includes 51% of ZAO "Purgaz" production and 100% of ZAO "Northgas" production since September 21, 2005. Gazprom's production figures exclude Sibneft's production volumes.



Comprehensive gas processing unit at Yety-Purovskoye field, that insured a 6.9 bcm gaz production increase in 2005. The growth of gas production volumes in Yety-Purovskoye and Pestsovoye fields (+11.6 bcm), Aneryakhinskaya area of Yamburgskoye field (+6.7 bcm), Zapolyarnoye field (+5.4 bcm) and other fields offset the declining production in the old fields and contributed to the overall production growth by 2.8 bcm.

Gas Reserves Development Strategy

The gas production level, which is scheduled to reach 550-560 bcm by 2010, will be achieved through existing and newly commissioned fields in the Nadym-Pur-Tazovsky region: Kharvutinskaya area of the Yamburgskoe field, the Yuzhno-Russkoye field, Lower Cretaceous deposits of the Zapolyarnoye and Pestsovoye fields, and Achimovsk formations of the Urengoiskoye field. It is economically practicable to develop fields in the above region due to the vicinity of the existing gas transportation infrastructure facilities.

After 2010, the forecast gas production volumes are planned to be enabled through the development of gas fields on the Yamal Peninsula, the shelf in the Arctic seas, the Ob and Tazovskaya bays, Eastern Siberia, and Far East.

In 2006, the Program for comprehensive commercial development of deposits on the Yamal Peninsula and the adjacent waters is to be adjusted considering the basic technical decisions and economic indicators in the "Assessment of the efficiency of investments into the development of the Bovanenkovskoye field on the Yamal Peninsula and gas transportation" currently undergoing the state expert evaluation.

Liquid Hydrocarbon Production

In 2005, Gazprom produced¹ 11.7 million tons of gas condensate and 1.3 million tons of oil (11.1 and 0.9 millions tons in 2004 respectively). Also, Sibneft produced 8.2 million tons of oil in the 4th quarter of 2005. Gas condensate production grew primarily due to the increase in production capacities at the Yen-Yakhinskoye and Astrakhanskoye fields, as well as the production volumes of ZAO "Northgas" (Northgas), control over 51 % of shares of which was regained in 2005, and Purgazdobycha acquired in 2004. Oil production increased mainly due to ZAO "Stimul" (Stimul), which entered Gazprom Group in the end of 2004. Stimul develops crude oil perimeters of the Orenburgskoye field. In 2005, Stimul produced 346.6 thousand tons of oil.

Gazprom Group's New Hydrocarbon Production Assets

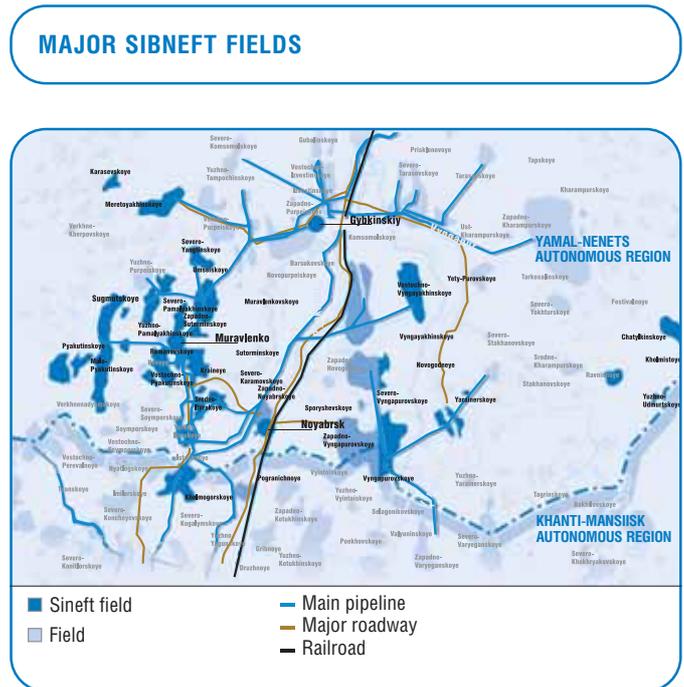
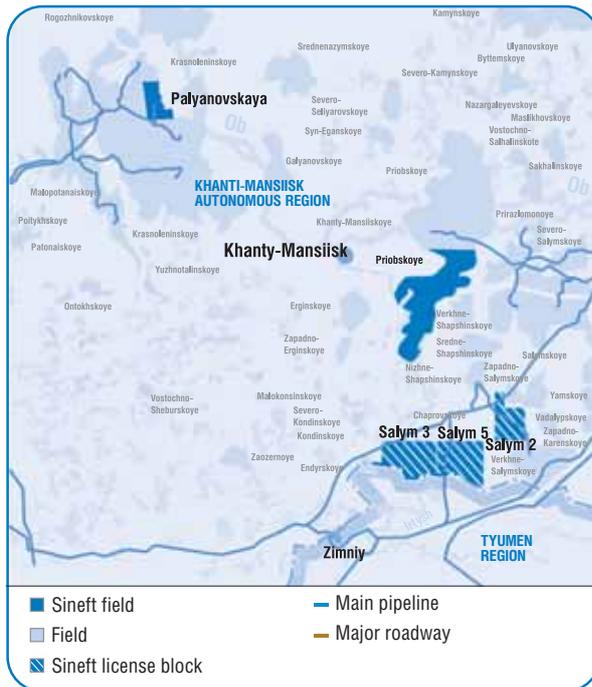
Oil production is becoming one of Gazprom major activities. After purchasing Sibneft, Gazprom ranks fifth in Russia in terms of oil production. Sibneft produced 33 million tons of oil and 2 bcm of associated gas.

Sibneft is operating in the Yamal-Nenets and Khanty-Mansiisk autonomous regions, Omsk and Tomsk regions, and Chukotka autonomous region. Nearly 80 % of the company's total oil reserves are concentrated near the town of Noyabrsk. This region in particular was the major center of Sibneft oil production. Five largest fields - Sugmuts koye, Sporyshevskoye, Sutorminskoye, Vyngapurovskoye, and Muravlenkovskoye fields, developed by OAO "Noyabrskneftegaz" and its subsidiaries, provided for 63 % of the company's oil production in the reporting year. Sibneft also produces associated gas in the Noyabrsk region, selling over 90 % of it to Sibur Holding or using it for its own needs.

One of the most promising fields is the Priobskoye field in the Khanty-Mansiisk autonomous region. An active development of this field started in 2004. In 2005, its production grew by 79 % compared to 2004. The Priobskoye field provides for 8 % of Sibneft's total production volume in 2005, and as of the end of 2005, its explored reserves amounted to 176.1 million tons.

¹Excluding Sibneft's figures.

Sibneft's total oil production decreased by 2.9 % in 2005 compared to 2004, which is related to its aggressive production increases pursued in previous years. Sibneft's priority for the foreseeable future is to commission new oil production facilities. The company's business plan for 2006 envisages increased capital investment into exploration and production. Sibneft's capital investment planned for 2006 amounts to US \$ 1.76 billion, which is a 70 % increase compared with 2005. Special attention will be paid to obtaining new licenses.



In 2005, Gazprom Group's organizations and Northgas' shareholders signed an agreement on cooperation and transfer of a 51 % shareholding in Northgas to Gazprom. Northgas was incorporated in 1993 for the purpose of developing Neocomian deposits in the Severo-Urengoiskoye gas condensate field. Northgas' aggregate reserves amount to 292.4 bcm of gas and 39 million tons of gas condensate and oil. As of the end of 2005, its production capacities amounted to some 5 bcm annually.

Joint Projects

Gazprom strategy of engaging its partners in the development of hydrocarbon reserves is aimed at extracting the resources located in complex geologic conditions in an efficient manner. The strategy also envisages an exchange of assets on a parity basis in pursuing the expansion of Gazprom operation area and activities.

In 2005, OAO "Gazprom" signed a Memorandum of Understanding and Major Terms and Conditions of the Asset Exchange Transaction with BASF. BASF is offered a share in a joint venture engaged in the development of the Yuzhno-Russkoye field in Western Siberia, while Gazprom gets an opportunity to increase its shareholding in WINGAS GmbH (from 35 % to 50 % less one share), cooperate with Wintershall AG (BASF's 100 % subsidiary) in the field of exploration and production in Northern Africa, and participate in other assets. Gazprom has already gained practical expertise in the implementation of hydrocarbon exploration projects with Wintershall AG, e.g. a joint venture OOO "Achimgaz" (with equal shareholdings) is engaged in the development of area A1 of the Achimovsk formations of the Urengoiskoye field.

In July 2005, OAO "Gazprom" and "Royal Dutch/Shell" agreed to the general terms and conditions of a transaction envisaging an exchange of a half of Gazprom's shareholding in the "Zapolyarnoye – Neocomian deposits" project for a 25% shareholding plus one share in the "Sakhalin – 2" project. The parties are planning to balance any differences in the asset value by means of additional contributions made by assets or funds.

In the reporting year, "The Agreement on the principles of joint development of the hydrocarbon reserves at the geological structure Centralnaya" was signed between OOO "TsentrKaspNeftegaz" (TsentrKaspNeftegaz) and AO NK "KazMunayGaz" (KazMunayGaz) representing the Kazakh side. The agreement stipulates the major principles for the structure development and production sharing. A Contract for the joint activities between TsentrKaspNeftegaz and KazMunayGaz is being prepared. According to preliminary estimates, reserves (category C₃) of Centralnaya structure of the Russian segment of the Caspian Sea amount to 276 million tons of oil equivalent.

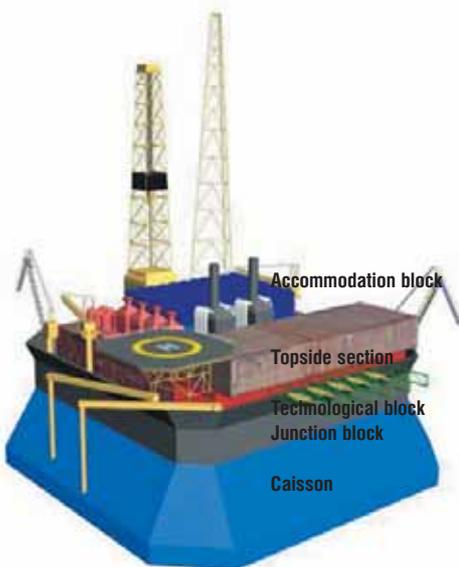
GAS TRANSPORTATION

Gazprom owns and operates the Russian Unified Gas Supply System (UGSS), which is a unified technologic complex combining gas production, processing, transportation, storage and distribution facilities. The UGSS provides for a continuous gas supply cycle from a well to an ultimate consumer.

The UGSS consists of the following:

- 155 thousand km of trunk pipelines and pipeline branches;
- 6.1 thousand km of condensate products pipelines;
- 268 compressor stations with a capacity of 44.8 million kW;
- 6 gas and gas condensate refineries;
- 24 underground gas storage facilities.

Centralized management, extensive branching and parallel transportation routes result in considerable reliability of the UGSS and its ability to provide smooth gas supply even in the case of seasonal peak loads.



A sleetproof ocean drilling platform "Prirazlomnaya" will be constructed to develop oil reserves at the Northern shelf. The Prirazlomnoe oil field is a core one for oil production development at sea on the shelf of the Pechora Sea. The field reserves (categories C₁+C₂) amount to 72 million tons. The start of the development is scheduled for 2008. The maximum annual oil production within the project is scheduled at 6.6 million tons.

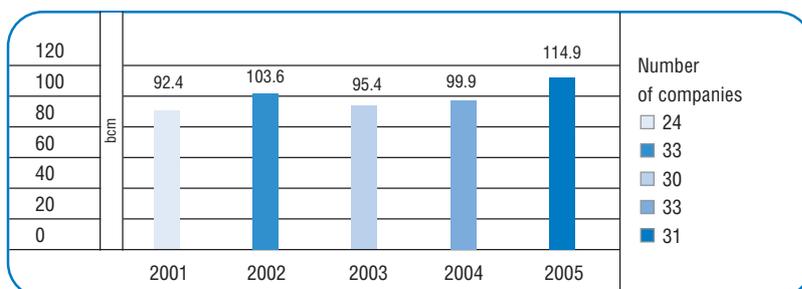
Gas Transportation Network

Gazprom's gas transportation network is the largest in the world. Over half of it consists of gas pipelines of a large caliber (1,220 and 1,420 mm). In 2005, the gas transportation network enjoyed stable performance supplying gas to Russian and foreign consumers. Gazprom is in charge of the transportation of almost all the gas, which is transported in the Russian Federation, through high-pressure pipelines.

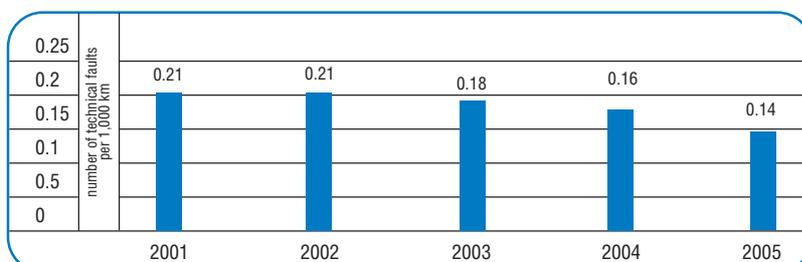
	2004	2005
Total amount received by the gas transportation system	684.4	699.7
Gas received by the system	635.2	646.9
including Central Asian gas	50.4	54.6
Gas retrieved from UGSF in Russia	37.9	42.8
Decrease in gas reserves within the gas transportation system	11.3	10.0
Total distribution from the gas transportation system	684.4	699.7
Supply to Russian consumers	333.5	339.8
including Central Asian gas	0.2	0.1
Supply outside Russia	245.9	251.2
including Central Asian gas	50.3	54.5
Gas pumped into UGSF in Russia	42.6	46.3
Technological needs of the gas transportation system	52.0	51.7
Increase in gas reserves within the gas transportation system	10.4	10.7

Shown figures do not include gas volumes taken from UGSF of foreign countries and supplied over the territories of the Russian Federation.

RECEIPT AND DISTRIBUTION
OF GAS TRANSPORTED THROUGH
GAZPROM GAS TRANSPORTATION
SYSTEM IN THE TERRITORY
OF THE RUSSIAN FEDERATION, BCM



VOLUME OF GAS TRANSPORTED
BY COMPANIES ENTITLED
TO ACCESS GAZPROM
GAS TRANSPORTATION SYSTEM



NUMBER OF TECHNICAL FAULTS
AT THE GAS TRANSPORTATION
SYSTEM IN 2001-2005

Independent gas producers have been applying for access to OAO "Gazprom" gas transportation system since 1998. Over the past 5 years, the load of the gas transportation system increased due to a growth in Gazprom gas supplies and transportation of independent producers' gas. In 2005, UGSS gas pipelines received 699.7 bcm of gas (621.2 bcm in 2001). The gas transportation volumes increased



Drive Engine AL-31ST produced by OAO NPO "Saturn". Gazprom has established a technological base for the comprehensive reconstruction. It created and installed new types of gas pumping units at the compressor stations with efficiency up to 35 %.

The following new engines are now in serial production: PS-90, AL-31ST, NK-36, D-336, etc. A total of 17 gas pumping units were replaced by new generation units and 1 gas pumping unit was upgraded in 2005.



The complex of intrapipeline defectoscope produced by ZAO NPO "Spetsneftegaz" with the caliber of 1,400 mm.

The intrapipeline defectoscope plays a key role in the complex of diagnostic measures and is the most informative and technological way of examination.

In 2005, the intrapipeline defectoscope method was used to examine 17.3 thousand km of gas pipelines while the electrometric measurement method was used to examine 23.2 thousand km.

The diagnostic examination resulted in the selective overhaul of 2,166.8 km of gas pipelines, including 508.8 km of complete pipe replacement and 1,477.8 km of reisolat-ion.

by 12.6 % over the period. The forecast growth in a demand for gas in Russia and major export markets as well as the growth in gas transit from Central Asia suggest further increase in the gas transportation system load. Therefore, Gazprom takes measures to improve, upgrade and expand the existing gas transportation system.

Refurbishment and Reconstruction

Gazprom gas transportation system was mainly established in 1970s-1980s. As of December 31, 2005, the trunk pipelines had been in operation for an average of 22 years. The system enjoys stable functioning due to the implementation of advanced diagnostic methodologies, preventative maintenances and repairs. This is evidenced by a lower number of pipeline technical faults in the reporting year, which decreased down to 22 (25 in 2004).

Gazprom is implementing a Comprehensive program of reconstruction and technical refurbishment of its gas transportation facilities for the period from 2002 through 2006 (Reconstruction program). The gas pipeline reconstruction and upgrade program envisages the elimination of bottlenecks and the reduction of energy demands for gas transportation. It will also help ensure the reliability and industrial safety of the gas pipelines.

All the necessary measures were accomplished within the Reconstruction Program to ensure reliable operation of the gas transportation system. The work was focused on the most strategically important directions of gas transportation, which effectively prevented a potential 16-bcm decrease in the throughput capacity of the gas transportation system. Furthermore, the initiative has boosted the technically feasible production level by an additional 3.5 bcm.

Gas Transportation System Development

In 2005, major investments into gas transportation system development were allocated for the construction of the Russian part of the Yamal-Europe gas pipeline, SRTO-Torzhek and Pochinki-Izobilnoye gas pipelines, as well as the expansion of the Urengoi gas transportation unit.

The Yamal-Europe pipeline was commissioned in 1999. It passes through the territory of Belarus and Poland. In December 2005, the final scheduled compressor station was commissioned in Poland, which brought the Polish part of the pipeline to its design annual capacity of 33 bcm.

The construction of the SRTO-Torzhek gas pipeline from the Urengoi field is underway. The project will provide for the increase in gas supply to the consumers in the North-Western region of Russia and gas export through the Yamal-Europe pipeline.

The Urengoi gas transportation unit is being expanded in order to transport the increased gas volumes from the fields developed in the Nadym-Pur-Tazovsky region. The Federal Tariff Service (FTS) of the Russian Federation has worked out and approved a methodology of the tariff calculation for gas transportation services, which provides, in particular, for the return of the investments made into the construction of the new parts of the Urengoi gas transportation system to the investor.

The Pochinki-Izobilnoye gas pipeline is a part of the gas pipelines running from Russia to Turkey. The commissioning of this pipeline will allow for the supply of gas from the fields in the Nadym-Pur-Tazovsky region into the Blue Stream gas pipeline. The project for the construction of a Petrovsk-Frolovo-Izobilnoye pipeline segment (linear part) is currently underway.

In 2005, Gazprom started the construction of the North European Gas Pipeline to run from Russia to Western European countries under the Baltic Sea. The North European Gas Pipeline is a completely new route for Russian gas export to Europe. NEG is unique as it passes no transit states, which brings down gas transportation risks and costs and raises export supply reliability.

A joint venture "North European Gas Pipeline Company" (registered in Switzerland) was established to design, construct and operate the offshore segment of the NEG. OAO "Gazprom" interest in the joint venture amounts to 51 %, with the German companies BASF and E.ON Ruhrgas holding 24.5 % each.

Underground Storage

Underground gas storage facilities (UGSF) are an integral part of the Russian Unified Gas Supply System (UGSS) and are located in the major gas consumption areas. UGSF make it possible to level off seasonal fluctuations in gas consumption, bring down peak loads within the UGSS, and provide for flexible and reliable gas supply. The UGSF network provides for up to 20 % of gas supply to Russian consumers during the heating period, and increases as high as 30 % during the sudden cold spells.

As of the beginning of the withdrawal season in 2005-2006, the Russian underground storage facilities accumulated 62.6 bcm of market-grade natural gas reserves.

The capacity of the underground gas storage facilities is being increased in order to make UGSS more flexible and provide for the best performance of the system. There is a Program of work for the period from 2005 through 2010 related to the underground gas storage in Russia designed to level off seasonal fluctuations in gas consumption. The Program is aimed at raising the daily gas output of UGSF up to 700 mcm per day by the withdrawal season in 2010-2011.

The implementation of the Program made it possible to bring the average daily output up to 477 mcm in the heating period of 2005/2006 (470.5 mcm in the heating period of 2004/2005). The average daily performance of UGSF is scheduled to be increased up to 500 mcm by the heating season of 2007/2008.

Gazprom keeps improving its underground storage facilities performance by commissioning new facilities. In 2005, the active capacity of the UGSF was increased by 1.9 bcm.

Three underground gas storage facilities are under construction in Russia: in the water-bearing structure of the Udmurt reserving complex and in the rock salt formations at the Kaliningradskoye and Volgogradskoye UGSF. The Volgogradskoye UGSF will become the largest one in Europe and the first Russian underground gas storage facilities in salt with the active gas volume of 800 mcm and the daily output of 70 mcm.

Gazprom stores gas in UGSF abroad as well. In July 2005, a lease agreement was signed with "Vitol" for access to 50 % capacity of the Humbly Grove UGSF in the south of Great Britain within a five-year period.



Kasimovskoye UGSF is one of the 24 gas storage facilities operated in the Russian Federation, 7 of them being located in water-bearing structures and 17 at the exhausted fields. In 2005, a total of 46.3 bcm of gas was pumped into the gas storage facilities located in Russia and a total of 42.8 bcm was withdrawn. The pumping and withdrawal were done using 17 compressor stations and 235 gas pumping units with a total installed capacity of 1,021.7 thousand kW.

EURASIAN GAS TRANSPORTATION SYSTEM





MAJOR GAS TRANSPORTATION PROJECTS OF GAZPROM

North European Gas Pipeline Project

NEG's design capacity is 55 bcm per year. The onshore segment of the pipeline, which is 917 km long, will run through the Russian Federation from Gryaznovets to Vyborg. The offshore segment, which is 1,198 km long, will run under the Baltic Sea to the coast of Germany, a branch moving to Sweden. The first line is scheduled to be commissioned in 2010.

Yamal-Europe Gas Pipeline

The gas pipeline design capacity is 33 bcm per year. A linear section of the pipeline, that extends 1,997 km from the Torzhok KS to the STEGAL pipeline in Germany, is currently in operation. The facilities commissioned in 2005 included 3 compressor stations. 1 compressor station is scheduled to be commissioned at the Russian part in 2006.

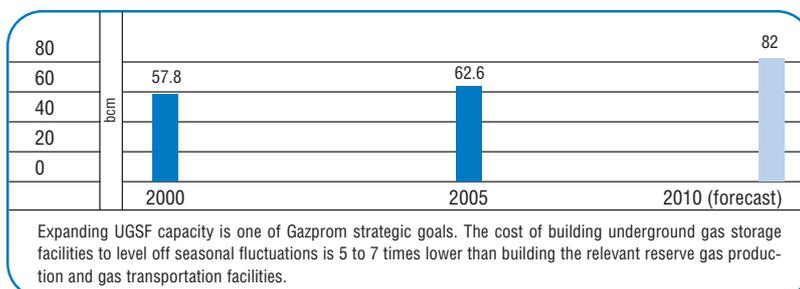
SRT0-Torzhek Gas Pipeline

Its projected capacity is 20.5-28.5 bcm per year at its various segments. The gas pipeline is 2.2 thousand km long and involves the construction of 13 compressor stations with an aggregate capacity of 968 MW. The linear part of the 685.6 km gas pipeline was commissioned in 2005. The project is scheduled to be completed in 2010.

Gas pipeline Pochinki - Izobilnoye - Severo-Stavropolskoye UGSF

The construction of the 938 km Petrovsk-Frolovo-Izobilnoye pipeline (linear part) is currently underway. The design capacity is 26.2 bcm per year. It is equipped with 6 compressor stations. As of the end of 2005, the line part of the gas pipeline was commissioned for a total of 308.9 km equipped with 1 compressor station. The completion of the pipeline is scheduled for 2006. The timing for the construction of the segment (linear part) connecting Pochinki and Petrovsk will be determined based on the timing for the development of fields on the Yamal Peninsula.

**GROWTH DYNAMICS
OF MARKET-GRADE NATURAL GAS
VOLUMES IN RUSSIAN UGSF**



In 2005, the volumes of gas pumped into UGSF in foreign countries in accordance with the relevant agreements amounted to 2.4 bcm, including 1.5 bcm in Latvia, 0.4 bcm in Germany, 0.4 bcm in Austria, and 0.1 bcm in Great Britain.

Gas Distribution and “Gasification”¹

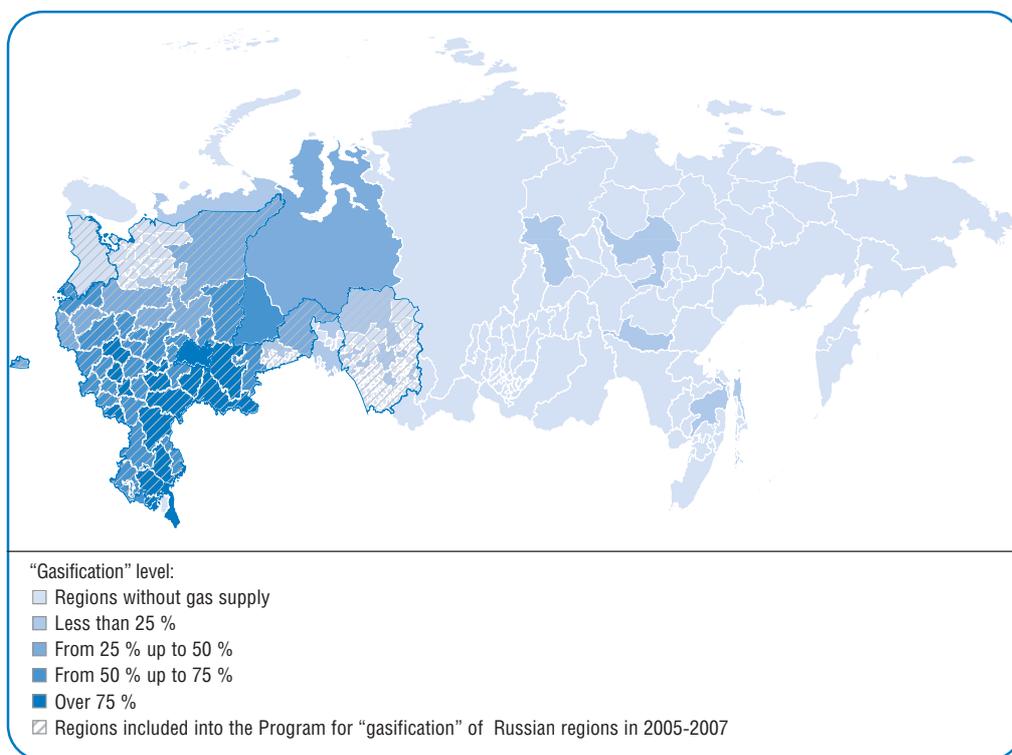
Gazprom is a leader in the Russian Federation in terms of gas distribution through the low-pressure pipelines. Gazprom has shareholdings or controlling interest in 148 regional gas distribution organizations and in three organizations that service the gas distribution system (OAO “Gazpromregiongaz”, OAO “Zapsibgazprom”, OOO “Tattransgaz”). These organisations service 463.4 thousand km (75 %) of gas distribution networks in Russia and supply gas to 75 % of gas-consuming settlements. Annual gas transportation volumes supplied to Russian ultimate consumers exceed 200 bcm.

Gas distribution assets are being consolidated in order to optimize the internal structure. The assets are being transferred to OAO “Gazpromregiongaz”, which is a part of Gazprom Group. The consolidation of these assets will establish a basis for pursuing a unified tariff policy, creating the sources of finance to gasify Russian regions as well as the conditions for the internal market liberalization by means of equal access of all gas producers to the customers.

¹“Gasification” - construction of low-pressure gas pipelines to ensure gas supply to the ultimate consumers.

The “gasification” of Russian regions is one of Gazprom key objectives. A program for the “gasification” of the Russian regions for the period between 2005 and 2007 was created, which enjoys governmental support as a social project of national importance. According to the program, over 12 thousand km of gas distribution pipelines are to be laid within a 3-year period. The investment will total RR 35 billion. RR 5.2 billion of them were allocated for 2005, RR 17.6 billion were scheduled for 2006 and RR 12.2 billion were scheduled for 2007. The “gasification” projects will be implemented based on the Concept of OAO “Gazprom” participation in “gasification” of the regions of the Russian Federation, which was approved in August 2003 and envisages the following:

- payment in full for the current gas supplies and repayment of consumers’ debt for gas;
- economic efficiency of the facilities being built;
- consumers’ readiness to off take the fuel;
- work load of pipeline branches and gas distribution stations;
- regional authorities’ assistance in the implementation of energy saving technologies.



**PROGRAM
FOR “GASIFICATION”
OF RUSSIAN REGIONS
FOR THE PERIOD
BETWEEN 2005
AND 2007**

In 2005, Gazprom built 2.5 thousand km of medium- and low-pressure networks gas pipelines in 40 regions of the Russian Federation. The implementation of the Program for the “gasification” of Russian regions will make it possible to raise Russian “gasification” level from 54 % in 2005 up to 60 % by 2008. 11 million people additionally will be able to use gas fuel.

A well-established system of interaction with the regional administrations of the Russian Federation on the question of OAO “Gazprom” regional policy makes it possible to resolve production, financial, social, and organizational issues in close contact with these local administrations.

The key objective of this policy is to balance the interests of Gazprom and the regions of the Russian Federation, as well as coordinate OAO “Gazprom” subsidiaries’ work in the regions. This is achieved by means of strengthening the regulatory basis for the interaction, which is built upon cooperation agreements with the sub-federal regions of the Russian Federation. Cooperation agreements with 72 Russian regions were effective as of the end of 2005.

OAO "Gazprom" Commission for Regional Policy coordinates OAO "Gazprom" and subsidiaries' activities in the sub-federal regions of the Russian Federation.

Technological Communications

Gazprom unified technological communications network provides for the technical reliability and safety of UGSS operation. The communications system consists of ground-based systems and a satellite communications network. As of the end of 2005 the ground-based part consisted of 87.6 thousand km of cable lines, 22.1 thousand km of multi-channel radio-relay lines, and 766 automatic telephone stations with a total capacity of 300.8 thousand numbers.

The satellite communications network consists of a Yamal-100 satellite, two Yamal-200 satellites, and 130 earth stations providing for satellite communications. Some 25 % of the satellite performance capacity is used by Gazprom, while the remaining part is used by governmental organizations or telecommunication companies - lessees.

UGSS Energy Supply

Gazprom is one of the largest consumers of electric power and heat energy. Over 2005, UGSS facilities consumed 19.1 billion kWh of electric power and 26.1 million Gcal of heat energy. The company's own generation units produced 1.5 billion kWh of electric power and 27.4 million Gcal of heat energy.

REFINING

As of December 31, 2005, the Group's aggregate capacities in preparing and processing gas and liquid hydrocarbons amounted to 52.5 bcm of natural gas and over 48.1 million tons of unstable gas condensate and oil per year (including Sibneft's 19.5 million tons of oil, but excluding Sibur Holding's capacities). A considerable increase in liquid hydrocarbons processing capacity (which almost doubled compared to 2004) is due to the acquisition of the Omsk Oil Refinery belonging to Sibneft.

Gas and Gas Condensate Refining

Gazprom (excluding Sibur Holding) operates six gas and gas condensate refineries, which purify natural gas and gas condensate, dehydrate natural gas and prepare it for transportation, stabilize and process gas condensate and oil, and provide a wide range of refining products. The refineries are connected to the relevant oil and gas condensate fields and constitute unified technologically linked complexes.

In pursuing deeper processing of hydrocarbon raw materials, maximizing the extraction of valuable components from gas, and improving economic efficiency and environmental safety of its production processes Gazprom plans to complete technical refurbishment and reconstruction of the existing gas refineries.

	2004	2005	2005/2004, %
Raw Materials			
Natural gas, bcm	32.4	33.9	104.6
Unstable gas condensate and oil, thousand tons	11,297.1	12,025.6	106.4
Stable gas condensate and oil for primary processing, thousand tons	6,017.3	5,989.3	99.5
Refinery's products			
Motor gasoline, thousand tons	2,005.1	2,242.7	111.8
Diesel, thousand tons	1,732.1	1,640.8	94.7
Furnace fuel oil, thousand tons	392.8	380.8	96.9
TS-1 fuel, thousand tons	15.0	50.9	339.3
Liquefied hydrocarbon gases, thousand tons	1,854.0	1,881.9	101.5
Helium, thousand tons	3,452.3	1,636.4	47.4
Sulfur, thousand tons	5,184.0	5,361.8	103.4
Gross stable condensate and oil, thousand tons	8,254.1	8,851.2	107.2
Ethane, thousand tons	202.6	108.1	53.3
Stripped dry gas, bcm	25.0	26.5	106.0

Excluding give and take raw materials. Also excludes Sibur Holding's and Sibneft's capacities

**VOLUMES OF GAZPROM GROUP'S
HYDROCARBON RAW MATERIAL
PROCESSING***

In 2005, most of the investment in processing was allocated for the recovery of the Orenburg Helium Plant production capacities (the work is scheduled to be completed in the 3rd quarter of 2006). In 2005, work was also carried out to build underground storage facilities for liquid products at the Astrakhan Gas Refinery and reconstruct production facilities for processing gas condensate.

The Orenburg Gas Refinery receives over 7 bcm of gas annually from Kazakhstan for processing. The production of the Orenburgskoye field keeps steadily falling, therefore, Gazprom is contemplating to increase gas purchases from the Karachaganakskoye field up to 15 bcm per year. The implementation of this project will guarantee the Orenburg Gas Refinery's load adjusted to the refinery's future upgrade and increased production capacity. Gazprom is contemplating the creation of a joint venture on the basis of the Orenburg Gas Refinery to process gas received from the Karachaganakskoye field and the fields located in the Orenburg region.

New Oil Processing Assets

As a result of acquiring Sibneft Gazprom gained control over the Omsk Oil Refinery, Russia's most advanced and one of the world largest oil refineries.

The Omsk Oil Refinery is located in the south of Western Siberia. Raw materials come to the refinery directly from Sibneft's oil fields through a pipeline system operated by OAO "Transneft" without mixing with heavier oil supplied by other Russian producers.

In addition to Sibneft's control over the Omsk Oil Refinery it holds 38.8 % of voting shares in OAO "Moscow Oil Refinery" and enjoys access to its production facilities pro rata to its stake.



The Omsk Oil Refinery is one of the most technologically advanced refineries in the world (as per the technical evaluation performed by Shell Global Solutions). The installed processing capacity is 19.5 million tons. The refinery is capable of deeper processing of raw materials than other Russian oil refineries. The Omsk Oil Refinery is one of the few Russian factories capable of producing MTBE additive increasing gasoline RON without using lead. Sibneft continues to improve the processing to increase the share of products with higher added value, including those complying with EU export requirements.

**MAJOR TYPES OF PRODUCTS
PRODUCED BY SIBNEFT
IN 4TH QUARTER OF 2005,
THOUSAND TONS**

	Omsk Oil Refinery	Moscow Oil Refinery	Total
Raw materials			
Desalinized oil	3,303	791	4,094
Production			
Gasoline	921	196	1,117
Diesel	1,091	222	1,313
TS-1 fuel	231	47	278
Furnace fuel oil	484	213	697
Petroleum cokes	42	-	42
Oils	53	-	53
Petroleum bitumen	11	34	45
Liquefied hydrocarbon gases	81	17	98

In order to improve the processing of hydrocarbon raw materials produced by Gazprom Group the company is contemplating to integrate the technological flows of gas condensate (oil) refineries operated by Gazprom and Sibneft (sour furnace fuel of the Astrakhan Gas Refinery and gas distillate of the Surgut Condensate Stabilization Plant).

Gas and Oil Chemistry

In February 2005, Gazprom approved the development strategy for OAO "AK "Sibur" (Sibur) for the period up to 2011. In implementing this plan, a new company OAO "AKS Holding" (AKS Holding) was established in July 2005. AKS Holding charter capital was paid with shares of petrochemical companies of Sibur and its subsidiaries. As a result AKS Holding became the owner of petrochemical assets and Siburs' successor. Sibur Group's debt to Gazprom Group amounting to RR 40.1 billion was repaid within the transactions related to the repurchase of AKS Holding's shares by OAO "Gazprom". OAO "Gazprom" shareholding in this company amounts to 25 % plus one share, the remaining 75% minus one share belonging to Gazprombank. In November 2005, AKS Holding was renamed into Sibur Holding.

Sibur Holding processes the purchased hydrocarbon raw materials based on processing agreements signed with processing organizations, and is a shareholder in some of these processing companies. At the same time, over 50 independent oil chemistry companies are involved in Sibur Holding's production cycle. At the processing stage Sibur Holding produces inters and final oil chemistry products and then sells them in the domestic and foreign markets.

As of the end of 2005 Sibur Holding accounts for 17 % of polyethylene production in Russia, 36 % of polypropylene production, 37 % of tyre production, 34 % of liquefied hydrocarbon gas production. It is the largest Russian producer of synthetic rubbers (56 %).



OOO "Tomskneftekhim" is one of Sibur Holding's subsidiaries. It is a major producer of polymers, urea-formaldehyde resins, and formalin. It ranks first in Russia in polypropylene production and it ranks second in high-pressure polyethylene.

**MAIN TYPES OF SIBUR
HOLDING PRODUCTION
IN 2004 - 2005**

Years	2004	2005	2005/2004, %
Liquefied hydrocarbon gases, thousand tons	2,817	2,891	102.6
Monomers and monomer fractions, thousand tons	1,747	1,867	106.9
Synthetic rubbers, thousand tons	537	584	101.9
Polymers, thousand tons	431	465	107.9
Products of organic synthesis, thousand tons	762	813	106.7
Fuel and its components, thousand tons	535	651	121.7
Tyres, million pcs	15.2	13.4	88.2

On November 3, 2005, the first stage of the Beregovaya booster compressor station was commissioned in the Gelendzhik district of the Krasnodar area bringing to the project capacity the Blue Stream gas pipeline, which runs under the Black Sea and directly connects the Russian gas producer with Turkey, one of Europe's major consumers. The unique gas transportation corridor of 1,213 km adds to the existing route from Russia to Turkey through Ukraine, Moldova, Romania, and Bulgaria.



In developing Sibur Holding's oil chemistry business, Gazprom takes into consideration the market environment of the company's operations and the increase in value of its own investment in the company.

MARKETING AND SALES

Gazprom is the major gas producer in Russia and the largest natural gas exporter in the world. It sells gas to ultimate consumers in the domestic market primarily through its 100% subsidiary OOO "Mezhregiongaz" (Mezhregiongaz) and regional gas sale companies.

GAZPROM GROUP'S GAS SALES (BCM)

Years	2004	2005	2005/2004, %
Russia	305.7	307.0	100.4
European countries	153.2	156.1	101.9
CIS member states and Baltic states	65.7	76.6	116.6

Its 100% subsidiary OOO "Gazexport" (Gazexport) acts as an agent in the export of its natural gas as well as gas condensate, oil, oil products, liquefied petroleum gases, and other refining products.

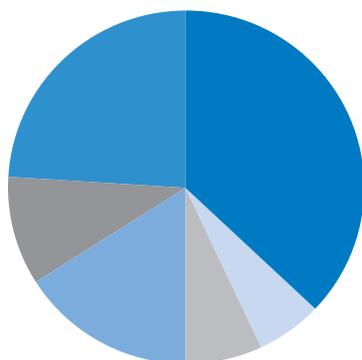
Gas sales in the Russian market

In the reporting year Gazprom provided for continuous gas supply to Russian consumers. 307 bcm of gas were sold in the domestic market. Revenues from gas sales (excluding VAT and excise tax) amounted RR310.0 billion. The average price of gas sold by Gazprom on the local market in 2005 was:

- RR1,014.1 per 1,000 cubic meters (excluding VAT, including excise tax);
- RR1,009.7 per 1,000 cubic meters (excluding VAT and excise tax)

Gazprom sells gas in the domestic market at wholesale prices regulated by the Federal Tariff Service in accordance with the Regulations of the Russian Federation on the maximum level of such prices. The regulated wholesale gas prices are below economically reasonable price levels and do not take into account the prices of alternative fuels or any environmental and technological advantages of using gas. Prices for alternative fuels (furnace fuel oil and coal) of those for the gas supplied by independent producers are determined on a market basis. Such system resulted in a considerable mismatch between prices from fuel resources and an inefficient structure of the fuel and energy balance.

GAZPROM GAS SALES STRUCTURE SPREAD BY CONSUMER GROUPS IN 2005



- Power industry – 38 %
- Metallurgy – 7 %
- Agricultural chemistry – 7 %
- Households – 16 %
- Utility sector – 10 %
- Other 22 %

The regulated gas prices and gas transportation tariffs changed in 2005. Since January 1, 2005, wholesale gas prices grew by an average of 23 %. Since October 1, 2005 gas transportation tariffs related to the transportation of gas produced by independent organizations went up by an average of 22.4 %. In 2005, tariffs were raised for gas transportation services rendered by Gazprom Group's companies with regard to gas transportation through distribution gas pipelines. At the same time, the tax burden rose since January 1, 2005 due to an increase in the severance tax rate.

However, the decision to increase the regulated wholesale gas prices did not take into account the whole set of pricing factors. Therefore, in 2005, in spite of price adjustment the company suffered RR8 billion losses from gas supply to the domestic market. This situation will continue in 2006. The losses from this type of activities are preliminary estimated at RR34.3 billion even considering an 11 % increase in the regulated gas prices¹.

The further development of a two-sector wholesale market with a step-by-step reduction in the regulated sector and expansion of the non-regulated one will make it possible to avoid the risk of bringing down the reliability of gas supply and adverse affect on the consumer. Considering Gazprom leading role in supplying gas to domestic consumers, its participation in the expansion of the non-regulated sector of the gas market is a key prerequisite for further development of market relationships. The first practical move in this direction may be the implementation of Gazprom's initiative to carry out an experiment to sell limited amounts of its gas (up to 5 bcm) starting from 2006 at free market prices via auctions using commodity exchange technologies and the gas of independent producers. The development of the unregulated sector of gas market will help to introduce market relationship, interfuel competition and energy saving technologies.

Gazprom policy is aimed at enabling independent producers to develop their own gas production and granting them access to Gazprom gas transportation system. The company approved its internal Regulation on the procedures for preparing and issuing permits to independent producers for an access to Gazprom gas transportation system, which simplifies the procedure for processing the applications. Increasing the volumes of gas coming into the gas transportation system from independent producers and purchasing it on economically reasonable terms will cover the country's growing need in this fuel.

¹Management accounts adjusted to assets revaluation.

Gas Sales in European Markets

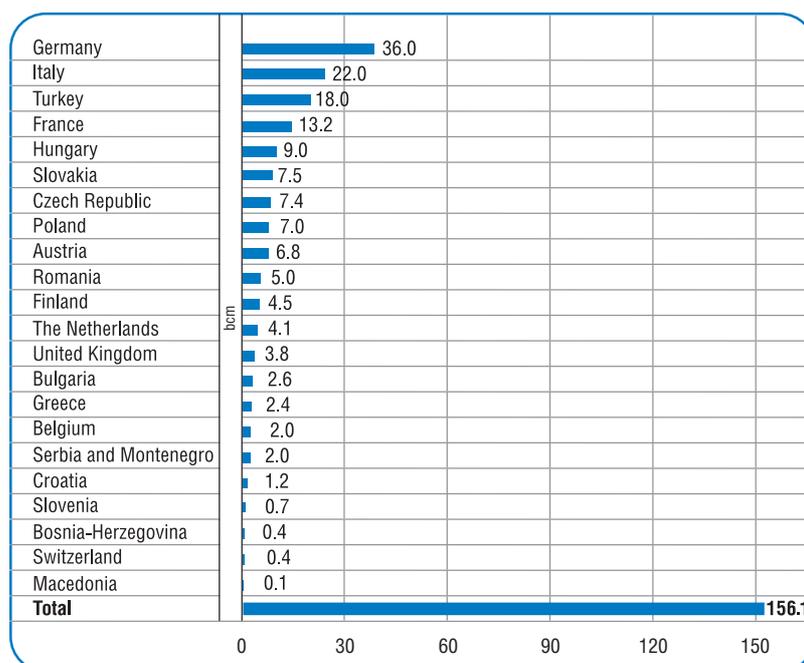
Russian gas has been supplied to Europe for more than thirty years. A total of 156.1 bcm was sold in European countries in 2005. The sales of gas amounted to RR 619.1 billion.

GAZPROM GROUP'S

NATURAL GAS SALES

IN EUROPEAN COUNTRIES IN 2005,

BCM



Gas consumption increased by 2.1 % in Europe in 2005. In spite of this fact, the excess of supply over demand remained and resulted in sharper competition among suppliers.

As the European gas market continues toward liberalization, Gazprom is implementing new methods and is getting ready to expand its exported goods portfolio. Gazprom took into account EU requirements and excluded a provision related to the ultimate destination from its contracts with Western European countries. Therefore, the buyers of Russian gas enjoy an opportunity to resell it in other countries, where Gazprom operates as well. At the same time, a mechanism to protect the company's interests was developed.

In the reporting year, Gazprom continued to develop relationships with its traditional customers focusing on meeting its gas supply obligations and improving supply reliability.

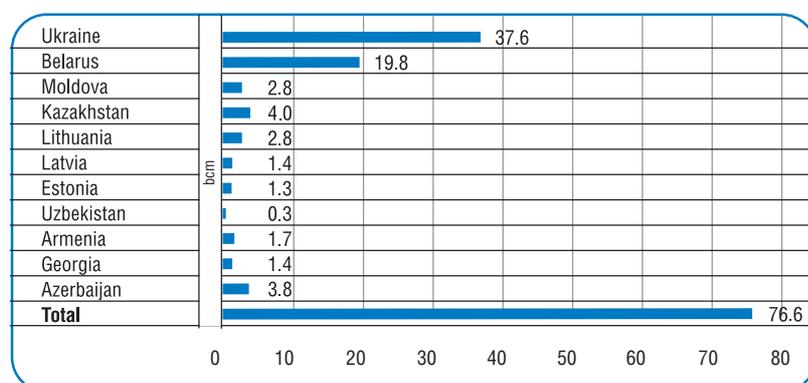
Most part of the gas is currently exported and is intended to be further exported under long-term agreements. At the same time, a system of short-term and single (spot) transactions is being developed. Last year, Gazprom sold 4 bcm of gas on a spot basis, the foreign currency revenues amounting to US \$ 675 million].

In 2005, the dynamics of export prices for Russian natural gas was influenced by the world prices for competitive liquid fuels: nominal oil prices were at an unprecedented high level last year. In 2005, an average Russian gas sale price in the European market was:

- RR5,443.6 per 1,000 cubic meters (including excise tax and customs duties);
- RR3,964.8 per 1,000 cubic meters (excluding excise tax and customs duties).

Gas Sales in CIS and Baltic States Markets

Gazprom is a key player in the gas market in the CIS and Baltic states. A total of 76.6 bcm of natural gas was sold in these countries in 2005. The sales of gas amounted RR 108.4 billion (excluding VAT, excise tax and customs duties). Gazprom supplies gas to CIS countries in accordance with intergovernmental agreements, which are used as a basis for signing annual contracts, whereas the supplies to the Baltic states are based on long-term contracts valid through 2015.



GAZPROM GROUP'S

NATURAL GAS SALES

IN CIS AND BALTIC STATES

IN 2005, BCM

In 2005, average price of Gazprom Group gas sold in CIS and Baltic countries was:

- RR1,716.1 per 1,000 cubic meters (including excise tax and customs duties);
- RR1,415.7 per 1,000 cubic meters (excluding excise tax and customs duties).

The current prices charged by Gazprom for the gas supplied to CIS countries are higher than those charged for the gas sold in the Russian domestic market but are lower than those charged for the gas sold in Europe. At the same time, the prices charged for the natural gas sold in Estonia, Latvia, and Lithuania are mostly comparable to those charged by Gazprom for the gas supplied to Europe. Gazprom sticks to its policy of bringing the prices charged for the gas sold in CIS and Baltic states up to a balanced level (adjusted to the transportation distance) with gas prices charged from its European customers. In accordance with this policy, gradual adjustments have been made to the contractual prices in the Baltic states since 2005. The company moved to more flexible new formulas of gas pricing dependent upon the furnace fuel oil prices, Euro being used as payment currency. The terms and conditions of gas supplies to Ukraine, Belarus, and Moldova in 2005 were regulated by intergovernmental agreements, which were used by OAO "Gazprom" as guidelines for signing contracts with these countries' national companies. Work was carried out to increase gas sale prices charged from the customers in Ukraine, Belarus, and Moldova in accordance with the declared pricing policy.

In particular, contracts were signed with AO "Moldovagaz" for the 1st and 2nd quarter of 2006 to supply gas to Moldovan consumers at a price of US \$ 110. Gazprom and NAK "Naftogas of Ukraine" moved to market relationships in their joint activities. The parties agreed that Gazprom would supply gas to "RosUkrEnergo AG" based on a new pricing formula since January 1, 2006. The initial Russian gas price

amounts to US \$ 230 per 1,000 cubic meters. Considering that there is also Central Asian gas in "RosUkrEnergo AG" balance, the company will sell the fuel at the Russian-Ukrainian border at a price of US \$ 95 per 1,000 cubic meters. The tariff charged for the Russian gas transportation through the Ukrainian territory will amount to US \$ 1.6 per 1,000 cubic meters per 100 km. The parties agreed not to use any exchange transactions any longer and to pay for the gas and the transportation services only in cash.

Developing Relationships with Central Asian Countries

Gazprom's strategy for its activities in Central Asia is aimed at strengthening its position in the region. It will allow the company to react adequately to a possible increase in the demand in CIS countries and optimize gas flow through the Unified Gas Supply System, which was established taking Central Asian sources into account.

In pursuing the strategy, medium-term agreements were signed in 2005 (for the period up to 2011) with AK "Uztransgaz" for the transportation of Turkmen gas through the territory of Uzbekistan and with AO "Intergaz Tsentralnaya Aziya" for the transportation of Turkmen and Uzbek gas through the territory of Kazakhstan.

The following volumes of gas were purchased in accordance with the contracts in 2005: 3.8 bcm of Turkmen gas and 8.2 bcm of Uzbek gas¹.

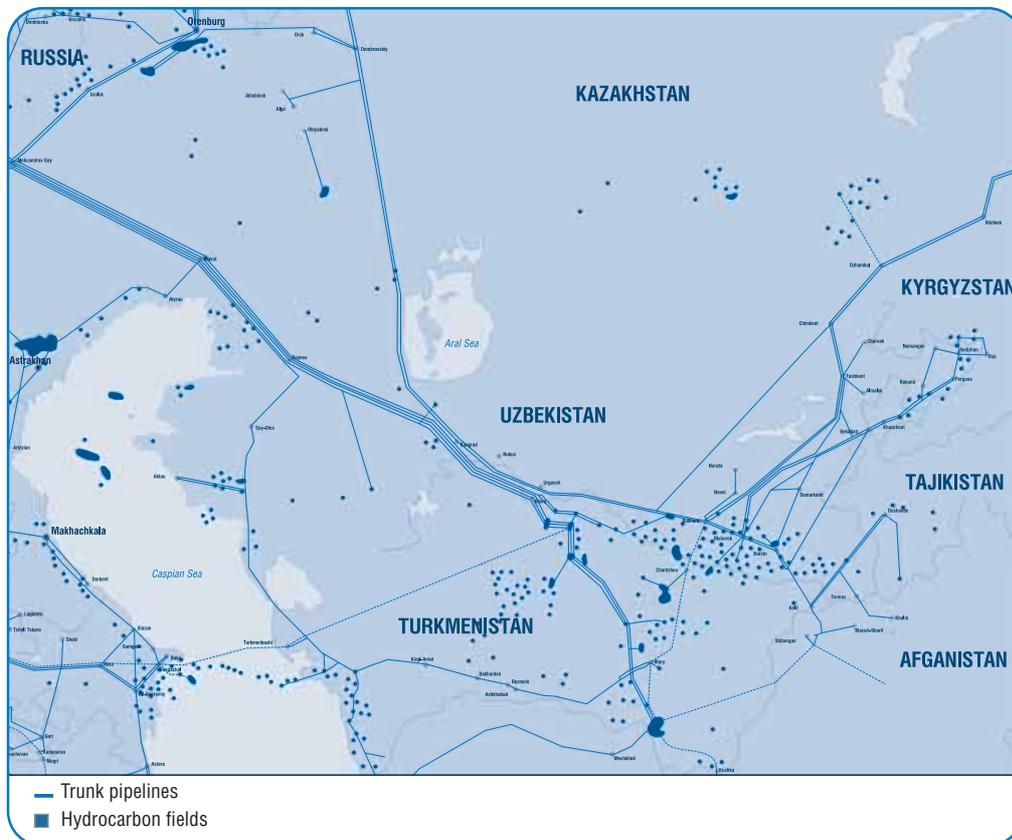
In addition to purchasing gas directly from AO "KazRosGaz" (a joint venture with Kazakhstan) Gazprom purchased Kazakh gas mainly from the Karachaganakskoye field for the purpose of selling it in the countries adjacent to Russia. In 2005, the volume of such supplies amounted to 6 bcm.

Following its strategy to cooperate with Central Asian countries, Gazprom intends to facilitate the development of gas resources and gas transportation infrastructure in the region.

In 2005, Gazprom devised a plan for a step-by-step implementation of the project for the development of oil-and-gas fields in the Ustyurt region of Uzbekistan. The work resulted in signing two agreements in January 2006, which defined the guidelines and the provisions of the Production sharing and geologic exploration agreement. The development of the fields in the Ustyurt region will raise Uzbekistan's export potential by 8 to 9 bcm in the period between 2010 and 2020.

One of the key prerequisites for successful cooperation with Central Asian states in the gas field is the upgrade and expansion of the Middle Asia – Center (MAC) gas transportation system. Taking an investment decision of MAC expansion requires information about gas reserves in Turkmenistan confirmed by international auditors.

¹ Based on management accounting.



In the reporting year, intensive work was carried out under the agreements on gas field cooperation between Gazprom and the governments of Kyrgyzstan and Tajikistan. Joint projects were defined in the geologic exploration and hydrocarbon production in the territory of these countries, recovery and construction of new gas transportation and gas storage facilities, as well as gas supply projects. In January 2006, Gazprom signed a Memorandum on intention to establish a joint Russian-Kyrgyz oil-and-gas company with the Kyrgyz Government. In March 2006, it signed a Memorandum on intention to establish a joint Russian-Tajik company with the Energy Ministry of Tajik Republic.

GAS PIPELINES AND MAJOR GAS FIELDS IN CENTRAL ASIA:

Middle Asia – Center gas transportation system connects Turkmenistan, Uzbekistan, Kazakhstan, and Russia and has a capacity of 40 to 50 bcm per year (the system design capacity is 68.8 bcm per year). It is considered reasonable to develop MAC in two stages, i.e. provide for the maximum increase of the existing capacity at first and then to construct the new facilities. At the feasibility study stage (before obtaining an independent expert opinion as to the gas reserves in Turkmenistan) Gazprom holds consulting meetings with its partners in joint activities applying a concept of overcoming bottlenecks in MAC. In 2005, a dispatch meeting was held attended by representatives of gas transportation companies from Uzbekistan, Kazakhstan, and Russia. The list of measures to refurbish MAC parts located in the republic was agreed upon with National Holding Company “Uzbekneftegaz”.

DIVERSIFICATION OF PRODUCTS AND ACTIVITIES

Liquefied Natural Gas

As the global gas market continues to evolve, one of Gazprom priorities is to implement its strategy for LNG production and sea transportation.

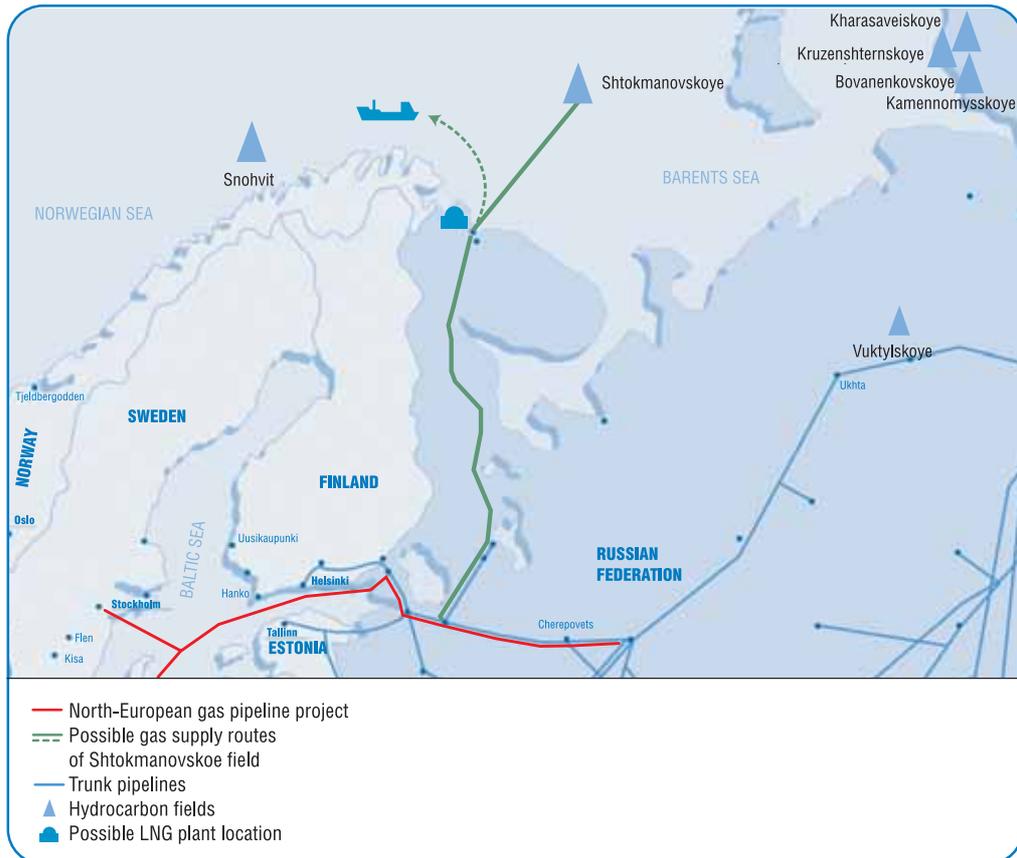
SHTOKMANOVSKOYE

FIELD

DEVELOPMENT

PROJECT

Shtokmanovskoye Field. Its explored gas reserves of categories C₁+C₂ are estimated at 3.7 tcm. The project for the Shtokmanovskoye field development envisages an annual production volume of about 70 bcm of natural gas and about 0.6 million tons of gas condensate. The initial stage of the project implementation aimed at ensuring the production level of 22.5 bcm of natural gas and 205 thousand tons of gas condensate, the construction of a factory to produce LNG with an annual capacity of 15 million tons, and the construction of an underwater pipeline to transport natural gas and gas condensate to the LNG factory. The expected investment amounts to \$13 billion



LNG's major advantage is the relative flexibility and ability to diversify the directions and volumes of gas supply by using tankers, making it possible to adapt to the ever changing world market environment. LNG's share in the global natural gas export was estimated at 26.2 % or 191 bcm in 2005, which is comparable with the annual volume of Russian gas export. LNG share is expected to reach 30 % of the global gas trade by 2010. Gazprom has all the necessary prerequisites to successfully implement LNG production and export projects:

- sound mineral resource base with expansion potential;
- low temperatures in the regions, where most of the reserves are concentrated, bringing down energy costs for producing liquefied gas;
- Russian LNG competitiveness due to relatively short distances between the mineral resource base and the distribution markets.

The Shtokmanovskoye gas condensate field in the Barents Sea was chosen as the preferable mineral resource base for the priority project of LNG production. The projects for the construction of LNG production plants in the Leningrad and Murmansk regions are contemplated along with participation in the "Sakhalin – 2" project. The target markets for the Russian LNG supply are the Gulf of Mexico and the US East coast. Supplies to Europe are possible, too.

Gazprom is considering the proposals submitted by major oil-and-gas, construction, and financial companies, which declared their interest to participate in Gazprom LNG projects. In 2005, Gazprom signed documents with major oil-and-gas companies (ConocoPhillips, Statoil, Chevron, Norsk Hydro, Total, and Petro-Canada) with regard to jointly elaborating possible cooperation projects in this field.

Consolidating its position in the traditional natural gas market in Europe, Gazprom enters the global gas market using gas swap operations.

In September 2005, Gazprom delivered its first tanker with LNG to the Cove Point regasification terminal (Maryland, USA). This delivery was based on contracts signed with British Gas Group and Shell Western.

In November 2005, Gazprom completed its first transaction with Gaz de France to swap LNG and the gas transported through trunk pipelines. Gazprom supplied gas to Europe through the pipeline swapping it for a batch of LNG provided by MED LNG & GAS (a joint venture established by Gaz de France and Sonatrach). Liquefied natural gas was sold to Shell Western LNG at the Cove Point regasification terminal in early December 2005.

In implementing such transactions, Gazprom will gain the required experience for preparing its own LNG for trade. In 2006-2009, the company will keep supplying LNG to the USA based on medium-term contracts with American companies, moving to direct Russian LNG supply on a long-term basis after 2010.

Power Industry

In pursuing its strategy to evolve into a vertically integrated energy company, Gazprom Group acquired 10.5 % of shares in RAO UES¹, which is a natural monopoly in energy supply and the largest energy producer in Russia, in 2004 - 2005. In June 2005, K.G. Seleznev, who is a member of OAO "Gazprom" Management Committee, was elected member of RAO UES Board of Directors.

As of the end of 2005, Gazprom increased its shareholding in Mosenergo, the major energy and heat producer in Moscow and the Central Region, up to 25.01 % and received an approval from the Federal antimonopoly service of the Russian Federation to bring its shareholding in Mosenergo up to 32 %. Due to Mosenergo restructuring, Gazprom received shareholdings in 13 new companies pro rata to its shareholding.

Gazprom expands its cooperation with independent energy suppliers, which possess a client base and technologies enabling the Group to expand its activities in the power market. The company plans to participate in investment projects related to the construction of power stations in the Russian Federation and abroad including those within its program to construct power stations and power units at its UGSS facilities.

RAO UES is the largest gas consumer in the Russian Federation. Selling electric power, Gazprom will be able to receive additional profit and diversify its business. Shareholdings in the country's energy producers will allow Gazprom to get access to an important market segment and obtain products with higher added value. Also, its investments in the power industry will secure Gazprom as an energy consumer from any increase in energy prices and improve the company's competitiveness and operational flexibility.

¹Excluding shares in the trading portfolios of Gazprom Group companies, which execute professional trades on the stock market.

GAZPROM INVESTMENT PROGRAM AND RAISING FINANCE

OAO "Gazprom" investment program is subject to annual approval by the Board of Directors and is divided into two basic sections: capital investments and long-term financial investments. Capital investments are made into the creation and acquisition of fixed assets recorded on OAO "Gazprom" balance sheet and then leased out to its subsidiaries. Long-term financial investments are made in accordance with OAO "Gazprom" strategy (normally to participate in joint projects) as well as within the measures aimed at optimizing OAO "Gazprom" organization structure.

Implementing 2005 Investment Program¹

A total of RR 601.2 billion was invested in 2005, including RR 237.6 billion of capital investments and RR 363.6 billion of long-term financial investments.

The company's major projects in gas transportation and storage included the construction of such trunk pipelines as SRTO – Torzhok, Yamal – Europe, Kasimovskoye UGSF – Voskresenk compressor station (CS), Pochinki – Izobilnoye – Severo-Stavropolskoye UGSF, expansion of the Urengoi gas transportation unit, construction of the Krasnoznamenskaya CS at the Minsk – Vilnius – Kaliningrad gas pipeline and of the Volokolamskaya CS at the Tula – Torzhok pipeline.

Capital investments totaling RR 26.5 billion were allocated for the reconstruction and technical refurbishment of gas transportation facilities in order to improve the UGSS reliability.

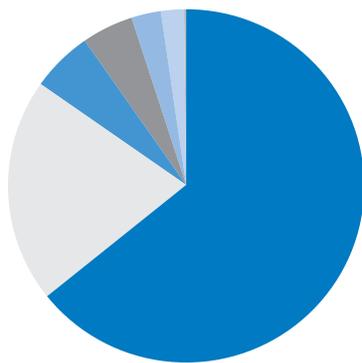
In the field of gas production, funds were allocated for the development of the Urengoiszkoye, Yen-Yakhinskoye, Pestsovoye, Zapolyarnoye, and Yamburgskoye fields, as well as its Aneryakhinskaya area of Yamburgskoye field, and the commissioning of additional wells at the Astrakhanskoye field, the first stage of the booster compressor station (BCS) at the Yamsoviyeyskoye field, BCS at the Orenburgskoye field, and the production complex combining the Vyngayakhinskoye and Yety-Purovskoye fields.

In the field of gas processing, capital investments were allocated mostly for the recovery of the Orenburg Helium Plant production capacities.

In 2005, long-term financial investments amounted to RR 363.6 billion, including RR 305.1 billion for the acquisition of OAO "Sibneft" shares and RR 33.4 billion for the acquisition of ZAO "Sevmorneftegaz" (Sevmorneftegaz) shares, which is the holder of the licenses to develop the Shtokmanovskoye and Prirazlomnoe fields.

Gazprom strategy to optimize its investment activities implies a significant role of open tenders for the purchase of materials, equipment, and services, as well as the tenders for the selection of contractors to perform different types of work. In the reporting year, OAO "Gazprom" saved over RR 6.6 billion due to the implementation of contest procedures.

GAZPROM CAPITAL INVESTMENTS IN 2005 BY TYPES OF ACTIVITIES



- Transportation and UGSF – 66.6 %
- Production – 20.2 %
- Production well drilling – 5.2 %
- Processing – 3.9 %
- Construction other than that of production facilities – 1.6 %
- Maintenance and repair work, equipment not included into the construction estimates and others – 2.2 %
- Exploration work – 0.3 %

¹ Based on management accounting.

Raising Finance

In order to carry out its investment program, OAO "Gazprom" raises funds in the Russian and international financial markets in accordance with the Principles for OAO "Gazprom" long-term financing approved in 2004.

Bonds placed in 2005

Amount of loan	Placement date	Maturity date	Coupon rate	Purpose of borrowing
RR 5 billion	16.02.2005	10.02.2010	8.22 %	General corporate purposes
RR 5 billion	11.08.2005	06.08.2009	6.95 %	General corporate purposes

Amount of loan	Placement date	Maturity date	Coupon rate	Purpose of borrowing
EUR 1 billion	01.06.2005	01.06.2015	5.875 %	General corporate purposes
US \$ 283.2 million	19.07.2005	21.01.2010	5.625 %	Refinancing of the outstanding amount of the MITI/OULI loan
US \$ 400 million	19.07.2005	12.07.2012	5.065 %	Refinancing of the outstanding amount of the SACE loan and the Tragas loan
EUR 1 billion	09.12.2005	09.12.2012	4.56 %	General corporate purposes

ROUBLE-DENOMINATED BONDS

FOREIGN

CURRENCY-DENOMINATED

BONDED LOANS

Loans received in 2005

In the reporting year, OAO "Gazprom" continued to borrow funds in the international markets. Listed in the table below are the loans received by OAO "Gazprom" during 2005.

Lender/ Amount of loan ¹	Date of agreement	Maturity date	Interest rate	Purpose of borrowing
ING Bank NV/ SEK 353 million	16.02.2005	01.08.2014	LIBOR+0.37 %	Funding the supply of equipment for the Vuktylskaya CS
ABN AMRO Bank/ US \$ 972 million	28.04.2005	28.02.2010	LIBOR+1.5 % LIBOR+1.25 %	Refinancing of credit lines
Dresdner Bank/ US \$ 15 million	03.08.2005	04.08.2035	8.868 %	General corporate purposes
Credit Swiss First Boston/ EUR 200 million	08.09.2005	19.10.2008	4.05 %	General corporate purposes
Credit Swiss First Boston/ EUR 200 million	08.09.2005	20.03.2009	4.15 %	General corporate purposes
Credit Swiss First Boston/ EUR 200 million	08.09.2005	21.06.2009	4.25 %	General corporate purposes
BNP Pariba/ US \$ 200 million	16.09.2005	26.10.2008	LIBOR+0.92 %	General corporate purposes
Credit Swiss First Boston/ EUR 250 million	08.11.2005	14.11.2007	EURIBOR+0.19 %	General corporate purposes
Credit Swiss First Boston/ US \$ 200 million	22.09.2005	11.09.2006	LIBOR+0.32 %	General corporate purposes
Credit Swiss First Boston/ EUR 200 million	22.09.2005	27.09.2006	EURIBOR+0.16 %	General corporate purposes
Loan granted by GazpromPurInvest/RR 1,528 million	15.12.2005	25.12.2006	2 %	General corporate purposes

¹An export loan granted by Deutsche Bank for a total of SEK371,839,496 was used when constructing Ukhtinskaya CS in 2005.

A loan received from the Credit Swiss First Boston Bank for a total of US \$ 200 million in 2004 was prolonged, the loan maturity date being shifted to November 30, 2006.

In October 2005, its subsidiary Gazprom Finance B.V. transferred outstanding liabilities to OAO "Gazprom" as a consideration for the transfer of OAO "Sibneft" shares for a total of US \$ 10,079.3 million. Such outstanding liabilities were related to the loans received by Gazprom Finance B.V. for a total of US \$ 13,079 million and used to purchase this shareholding. OAO "Gazprom" and Gazprom Finance B.V. repaid US \$ 8 billion of these outstanding liabilities as of the end of 2005. In addition to that, in February – May 2006, OAO "Gazprom" paid back another US \$ 2.6 billion from its own sources.

In 2005, OAO "Gazprom" credit rating was raised by the rating agency Moody's to the level Baa2 (stable forecast) and by the rating agency Fitch Ratings to the level BB+ (stable forecast). The rating agency Standard and Poor's raised OAO "Gazprom" rating to the level BB in 2005 and to the level BB+ (positive forecast) in January 2006.

The International Financing Review magazine awarded OAO "Gazprom" with a prize for its successful activities in the borrowing market in the following nominations in

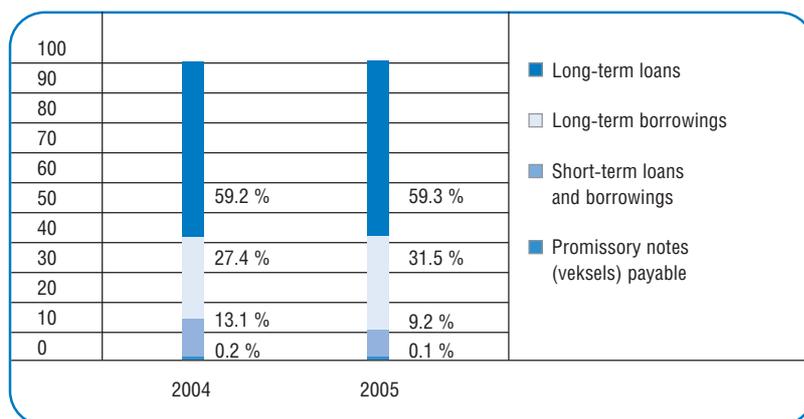
2005: Global Borrower of the Year, European Borrower of the Year, and Supranational / Agency Borrower of the Year.

Debt Portfolio Structure

In 2005 work was continued to optimize the debt portfolio structure, in particular to decrease the share of loans secured by the company's export revenues. Thus, the share of secured loans in OAO "Gazprom" overall loans and borrowings amounted to 14.6 % as of the end of 2005 (33.6 % as of the end of 2004). The share of long-term debt instruments increased in OAO "Gazprom" debt portfolio in 2005. Given the relatively high cost and limits of Russian bank loans, OAO "Gazprom" borrowed most of the funds in the foreign financial markets in 2005.

Promissory notes (veksels) were not issued in 2005 as a debt instrument.

OAO "Gazprom" outstanding debt balances increased as of the end of 2005 because of its increased current corporate needs in borrowed funds in the 4th quarter of 2005 due to its acquisition of major oil assets.



OAO "GAZPROM"

DEBT STRUCTURE SPREAD

BY TYPES OF BORROWINGS

**SOCIAL POLICY
AND ENVIRONMENTAL MEASURES**

Personnel

The total average number of Gazprom Group's employees in 2005 was 397 thousand people (Sibneft's personnel was included starting from the date of taking the company under Gazprom's control).

Gazprom pays much attention to advanced professional training of its employees. In 2005, over RR 1.2 billion was spent on training management, specialists, and workers including RR 66 million on preparing various training and methodological materials. Over 37,5 thousand managers and specialists as well as 128,3 thousand workers were trained within Gazprom's system of on-going professional education in 2005.

Social and labor relationships with employees are regulated by the General Collective Contract of OAO "Gazprom" and its subsidiaries for the period from 2004 through 2006 (General Collective Contract) and its subsidiaries' collective contracts. The participants of the General Collective Contract include OAO "Gazprom" and its 38 subsidiaries employing about 260 thousand people. Employees' interests are presented by OAO "Gazprom" Interregional Trade Union Organization (ITUO). As of January 1, 2006, ITUO members included 90.6 % of the people employed by the companies, which signed the General Collective Contract.

One of the most important social guarantees is an additional pension program, which involves monthly payment of non-government pensions to the employees by Non-government Pension Fund "Gazfund" (NPF "Gazfund") or monthly payments made by subsidiaries in addition to the government pension. In 2005, over 40 thousand participants received their non-government pensions from NPF "Gazfund" amounting to an average of RR 3.8 thousand per month. Over 23 thousand pensioners receive monthly payments amounting to an average of RR 1.4 thousand in addition to their government pension.

Another major goal of the social policy is to maintain employees' health and occupational fitness and provide for safe labor environment. Gazprom assesses working places in terms of labor environment in order to identify production factors affect upon the employees' health. In 2005, 58 % of the assessed working places were recognized as satisfying the requirements to conditions of work.

Gazprom established a comprehensive health protection system for its employees, including an extensive network of medical institutions and units of various type and purpose.

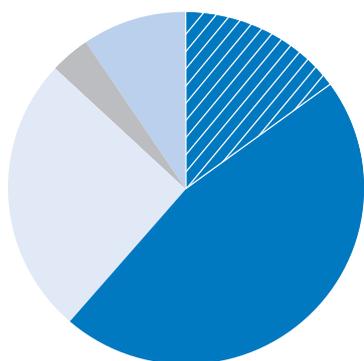
SPONSORSHIP AND CHARITY

Social responsibility, sponsorship and charity are an integral part of Gazprom's development and contribute to its reputation improving corporate spirit and considerably expanding the framework of the company's constructive cooperation with the government, business circles, and society as a whole.

Gazprom has been carrying out sponsorship and charity activities promoting healthy lifestyles, supporting culture and education, stimulating the development of the scientific and technical sector in the country, protecting the environment, rendering assistance to unprotected categories of the population, as well as preserving and reviving Russian national values.

Sports. In 2005, it continued close cooperation with the Russian Federal Agency for Physical Culture and Sports in organizing competitions, which are important to pro-

**PEOPLE SERVED BY GAZPROM'S
HEALTHCARE SYSTEM**



- Employees – 61.6 %
- ▨ including employees working in the Extreme North – 21.6 %
- Employees' family members – 25.5 %
- Pensioners – 3.5 %
- Others – 9.4 %

mote sports in Russia. OAO "Gazprom" rendered its support for such mass Russian competitions as "Ski-track of Russia" and "Nations' Cross-Country Race", as well as world-level events, such as European Biathlon Championship, European Rhythmic Gymnastics Championship, World Bandy Championship, Women's World Handball Championship, and the International Tennis Tournament "St. Petersburg Open". OAO "Gazprom" permanent partners include federations and clubs of the most popular sports in Russia: the Russian Gymnastics Federation and football club Zenit.

OAO "Gazprom" also rendered its assistance in holding a series of Vladislav Tretyak's Cup ice-hockey tournaments for children and youth.

Culture and spiritual wealth. Various programs aimed at developing Russian culture, contributing to spiritual revival, and preserving national values hold a prominent place in OAO "Gazprom" charity activities.

OAO "Gazprom" and Verbundnetz Gas AG became official partners of the Rakhmaninov Trio, a participant of the Berlin Classical Music Concert timed to the 60th anniversary of Germany's liberation from fascism and the completion of World War II.

Marking the 30th anniversary of their cooperation, OAO "Gazprom" and Gaz de France sponsored the exhibition "Russian Art in the Second Half of the 19th Century: a Quest for Identity" in Paris.

The company sponsored the projects of the prominent native artists D. Khvorostovsky and V. Spivakov.

In the reporting year, OAO "Gazprom" continued contributing to the restoration of cultural and architectural monuments in the territory of the Spaso-Preobrazhensky stavropigial monastery on the island of Valaam. OAO "Gazprom" rendered its support in filming a documentary "Pilgrimage to the Eternal City" devoted to early-Christian shrines in Rome.

Technical Progress and Education. OAO "Gazprom" participated in the implementation of a number of projects to support scientific and technical progress and education, the International Energy Award "Global Energy" being one of the most significant of them. There are a number of joint projects aimed at supporting and developing Russian higher education, which are traditionally implemented together with the Russian State University of Oil and Gas named after I.M. Gubkin.

ENVIRONMENTAL MEASURES AND ENERGY SAVING

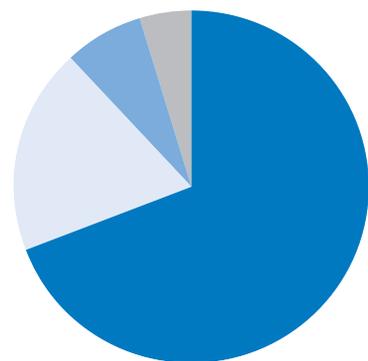
Gazprom carries out its activities in accordance with the requirements of the Russian environmental legislation, generally accepted international principles, as well as "OAO "Gazprom" Policy for environmental protection and employees' occupational safety and health", devised on their basis. The document establishes the following priorities:

- providing for the environmental safety in the areas, where gas production facilities are deployed, and using nature resources in a reasonable and effective manner;
- providing for the industrial and environmental safety during the construction and operation of hydrocarbon production, processing, transportation, and storage facilities;
- providing for employees' occupational safety and health;
- contributing to the environmental safety of the regions, where Gazprom's facilities are deployed.

OAO "GAZPROM"

ENVIRONMENTAL

EXPENSE STRUCTURE



- Current environmental expenses – 69.2 %
- Capital environmental expenditure 19.1 %
- Capital repairs of basic production facilities – 7.2 %
- Environmental fees – 4.5 %

Note: management accounting data

In 2005, hazardous emissions into the atmosphere at Gazprom's production facilities did not mostly exceed the permitted limits for such emissions. The quality of soil as well as surface and underground water reservoirs was mainly referred to as satisfactory. Water consumption considerably went down (97.47 mmcm in 2005) and the discharge of polluted and insufficiently treated wastewater decreased notably due to taking measures aimed at raising the volumes of recycling water supply and improving the efficiency of wastewater treatment facilities. The volume of work related to soil rehabilitation increased by 35.3 % compared to last year (9,200 ha).

In 2005, there were fewer accidents affecting the environment (a total of 27 in 2005 compared to 33 in 2004) and a lower amount of fines related to the violation of environmental legislation (RR 3.9 million in 2004, RR 0.4 million in 2005).

In 2005, OAO "Gazprom" allocated RR 6.3 billion¹ for environmental measures, which is 14.7 % more than in 2004.

Energy Saving

The following directions are envisaged by OAO "Gazprom" in its Program for energy saving for the period from 2004 through 2006:

- gas production – bringing down gas spending for technological needs, optimizing technological facilities operation, improving control over gas consumption, and accounting for gas consumption;
- gas transportation – reconstructing gas transportation facilities, carrying out systemic optimization of technological regimes applied to trunk transportation facilities, bringing down gas losses, implementing automated management systems and telemechanics, improving technical condition of gas pumping units, and bringing down gas spending for technological needs;
- gas processing – raising heat utilization level for the technological flows, raising the efficiency of gas-driven heat units, and implementing new energy saving processes;
- underground gas storage – bringing down buffer volumes at underground gas storage facilities and reducing formation gas losses.

¹Figures are based on the management reports.

On December 9, 2005, the “first joint” of the ground part was welded in the Vologda region at the North European Gas Pipeline, which will become a fundamentally new export route for the Russian natural gas supply to Europe. The gas pipeline will bring “blue fuel” to Germany, UK, the Netherlands, France, and Denmark. Its offshore segment under the Baltic Sea will be 1,198 km long. A joint venture was established with E.ON Ruhrgas and BASF for its construction and operation. The gas will start flowing through the North European Gas Pipeline as early as in 2010. The North European Gas Pipeline will allow Gazprom to increase the reliability and flexibility of its gas supply from Russia and to meet the growing demand for Russian gas in the unified Europe.

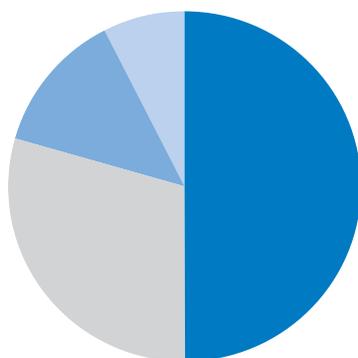


**INFORMATION FOR
SHAREHOLDERS AND INVESTORS**

SHAREHOLDERS' CAPITAL

STRUCTURE

AS OF DECEMBER 30, 2005



- Controlled by the Russian Federation – 50.002 %*
- Russian legal entities – 29.482 %
- Russian Individuals – 13.068 %
- Non-residents – 7.448 %

*Russian Federation represented by the Federal agency for federal property management has 38.373 %. State companies OAO "Rosgazifikatsiya" and OAO "Rosneftegas" have 0.889 % and 10.740 % respectively.

**LIST OF SHAREHOLDERS WITH
A SHAREHOLDING EXCEEDING 2 %
AS OF DECEMBER 30, 2005**

SHARE CAPITAL

In 2005, OAO "Gazprom" share capital remained at RR 118,367,564,500. It is divided into 23,673,512,900 ordinary registered shares with a par value of RR 5 each. The total number of shareholders amounted to 471,956 as of December 30, 2005.

The structure of OAO "Gazprom" share capital changed considerably in the reporting year. After the state owned company Rosneftegas had purchased 10.740 % shares in OAO "Gazprom", the shareholding in OAO "Gazprom" controlled by the Russian Federation increased up to 50.002 %. This resulted in higher governmental control over the company, which is strategically important for the national economy.

In addition to the shifts in the share capital towards the increase in the government shareholding, the share of Russian legal entities went down by 6.438 %. The increase in the share of Russian individuals underwent some minor decrease of 0.250% (compared to 0.712% in 2004). As part of the transaction aimed at increasing governmental shareholding, OAO "Gazprom" subsidiary Gazprom Finance B.V. registered in the Netherlands sold 4.577 % of its shareholding in OAO "Gazprom" to Rosneftegas in June 2005. Therefore, the non-residents' share decreased from 11.500 % down to 6.923 %. After Decree of the President of the Russian Federation № 1519 came into force on December 23, 2005 canceling the procedures, which envisaged the requirement for foreign participants to obtain permits when purchasing OAO "Gazprom" shares, the non-residents' total shareholding in OAO "Gazprom" increased up to 7.448 % by the end of the reporting year.

SHARE MARKET AND CAPITALIZATION

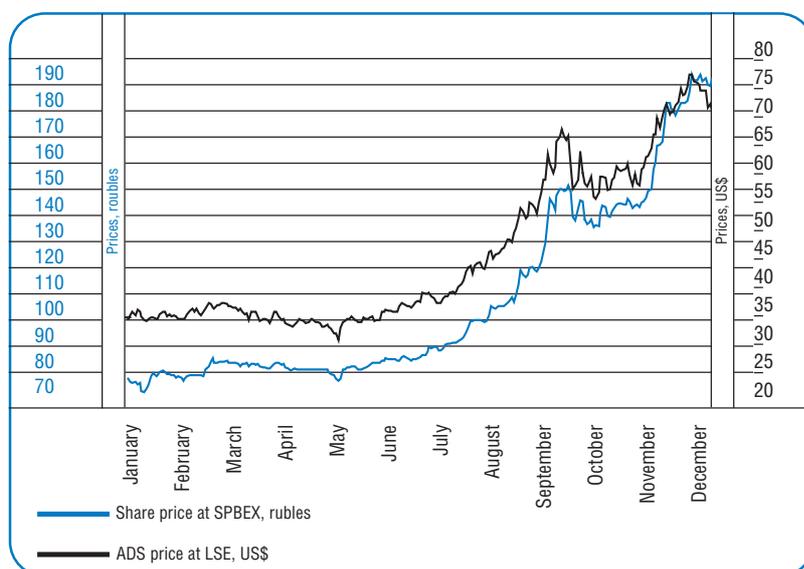
Canceling any limitations on the trading of OAO "Gazprom" shares was the most significant event both for OAO "Gazprom" and the whole Russian stock market in 2005. Liberalization of the company's share market was stipulated by the Federal Law "On making amendments to Article 15 of the Federal Law "On gas supply in the Russian Federation", Decree of the President of the Russian Federation № 1519 dated December 23, 2005, and Regulation of the Government of the Russian Federation № 818 dated December 28, 2005. These regulations removed any legislative limitations concerning foreign shareholding in OAO "Gazprom" and the number of trading floors where its shares can be traded.

In the reporting year, the company's shares were mostly traded at the St. Petersburg Stock Exchange (SPBEX) through the Russian Trade System (RTS) terminals as before. The interest to OAO "Gazprom" shares continued to grow in the anticipation of its share market liberalization. In 2005, the average daily volume of trade at SPBEX increased 1.49 times compared to the previous year and amounted to US \$ 86 million (US \$ 59 million in 2004). The maximum volume of trade reached as high as US \$ 533 million (compared to US \$ 318 million in 2004).

Shareholders	Shareholding, %
Russian Federation represented by the Federal Agency for Federal Property Management	38.373
OAO "Rosneftegas"*	10.740
Bank of New York International Nominees**	4.422
ZAO "Gerosgaz"	2.930
E.ON Ruhrgas AG	2.500
ZAO "Novy Proekt"	2.339

* 100 % owned by the Russian Federation.

** Nominal holder of shares within OAO "Gazprom" ADR Program.



**OAO "GAZPROM" ADR
AND ORDINARY SHARE PRICE
DYNAMICS IN 2005**

Similar trends were noted on the OAO "Gazprom" ADR market, which were primarily traded at the London Stock Exchange (LSE). In 2005, the average daily volume of trade on the LSE was US \$ 34 million, whereas the maximum volume of trade there was US \$ 165 million. During 2005, the company's ADRs gained 102 % on the LSE.

The regulations adopted in December 2005, which removed any legislative limitations concerning the circulation of OAO "Gazprom" shares, not only cancelled any quotas related to the acquisition of its shares by foreign holders but also allowed the trading of these shares at all the Russian stock exchange trading floors.

In 2006, OAO "Gazprom" shares were included into the non-listed securities at the Moscow Interbank Currency Exchange (MICEX) and RTS. This enables carrying out transactions in OAO "Gazprom" shares at the leading Russian stock exchanges.

Close price	2004	2005	2005/2004, %
Russian Trade System, roubles per share			
As of end of year	76.57	194.30	253.8
Minimum	40.55	69.60	171.6
Maximum	84.70	195.00	230.2
London Stock Exchange, US \$ per ADR			
As of end of year	35.50	71.70	202.0
Minimum	26.25	29.80	113.5
Maximum	39.40	78.50	199.2

**INCREASE IN OAO "GAZPROM"
ADR AND SHARE PRICE**

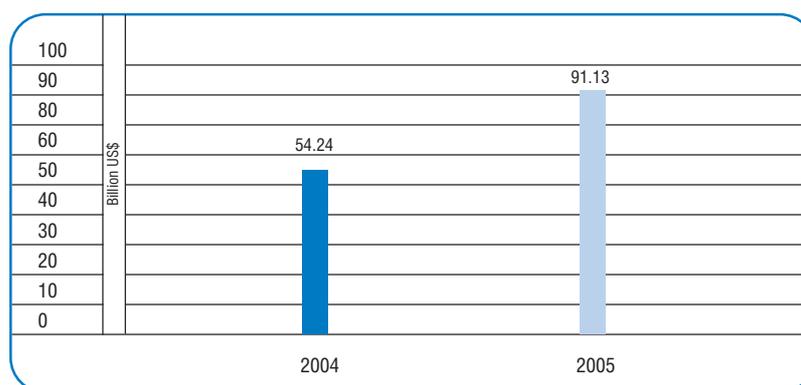
OAO "Gazprom" share market liberalization also influenced ADRs for the company's shares. On April 18, 2006, the OAO "Gazprom" Level 1 ADR Program (ADR Program) was launched. This was accompanied by a decrease in the ratio of OAO "Gazprom" ordinary shares per ADR from 10 shares per ADR to 4 shares per ADR. OAO "Gazprom" ADRs, which circulated before April 18 and were issued under Regulation S, were automatically converted in accordance with the above ratio (adjusted to the effective limitations).

The ADR Program makes it possible to convert OAO "Gazprom" ordinary shares into ADRs and back (as permitted by the effective legislation) since April 18, 2006.

Depository receipts issued within the ADR Program can be freely traded in the US over-the-counter markets and in the European stock markets. The maximum number of ordinary shares, which may back all OAO "Gazprom" ADRs, will not exceed 35 % of OAO "Gazprom" share capital.

In 2005, OAO "Gazprom" shares were growing faster than RTSI, which grew by 83.3 % over the reporting year. The share prices increased 2.5 times at SPBEX in 2005 compared to 2004, while the company's average capitalization grew by 68.2 % to US \$ 91.13 billion¹.

MARKET CAPITALIZATION OF OAO "GAZPROM"



DIVIDENDS PAID OUT IN 2005 ON RESULTS OF 2004 AS OF DECEMBER 31, 2005.

DIVIDENDS

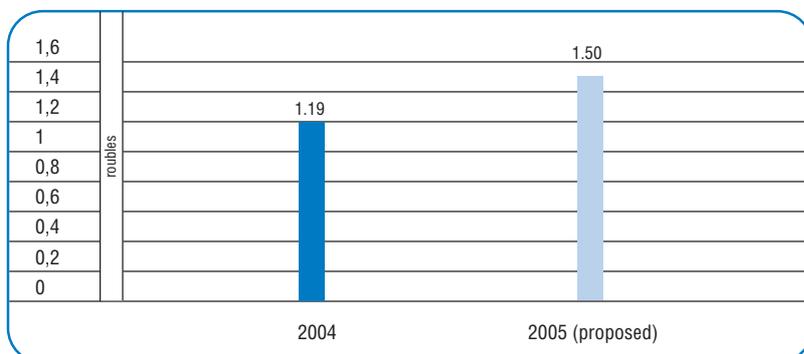
	Accrued, thousand roubles	Paid, thousand roubles	Unpaid, thousand roubles *	Unpaid/ Accrued ratio, %
Total	28,171,480	28,134,598	36,882	0.131
including:				
Russian Government	10,810,284	10,810,284	–	–
individuals and legal entities	17,360,569	17,324,314	36,255	0.209
unidentified persons	627	–	627	100

*Dividends remained unpaid due to the absence of information about shareholders' names and/or addresses and payment details changes. Clause 44 of Chapter 6 of the Federal Law "On joint stock companies" makes shareholders responsible for due notice of such changes.

OAO "Gazprom" Dividend policy aimed at raising shareholders' wealth is based on maintaining the balance between corporate interests and shareholders' interests.

Based on the results of operations in 2005, the Board of Directors recommends paying dividends in the amount of 1.50 roubles per share. The amount of dividends was determined in accordance with OAO "Gazprom" Dividend policy, approved by Resolution of the Board of Directors № 219 dated April 24, 2001.

¹ In accordance with the OAO "Gazprom" dividend policy, market capitalization in this Report is calculated as the sum of the arithmetic average of the daily market capitalization of the internal market and the arithmetic average of the daily market capitalization of the external market. For the purpose of this document, the number of shares traded in the internal market and the external markets was set as follows compared to the total number of ordinary shares (23 673 512 900 pieces):
– 88.5 % and 11.5 % from January 1 through June 22;
– 93.08 % and 6.92 % from June 23 (the date when shares were sold by Gazprom Finance B.V.) through December 22;
– 95.58 % and 4.42 % (the ADR program for OAO "Gazprom" shares effective during this period) from December 23 (date of Presidential Decree № 1519 coming into force) through December 30.



**DIVIDENDS PER SHARE,
ROUBLES**

FINANCIAL COEFFICIENTS AND MARKET INDICATORS

	2004	2005
Return ratios*		
Return on equity, %	8.70	6.86
Return on assets, %	6.41	5.26
Return on sales, %	23.85	29.09
Liquidity ratios*		
Current liquidity ratio	3.04	3.34
Quick ratio	2.52	2.67
Financial stability ratios*		
Equity/assets ratio	0.74	0.77
Market ratios		
P/E ratio		
(domestic OAO "Gazprom" share market)	11.29	22.67
P/E ratio		
(external OAO "Gazprom" share market)	14.49	24.06
Market capitalization, US \$ billion	54.24	91.13
Market capitalization/net assets	0.84	0.87

*Calculated in accordance with the Regulation on information disclosure by securities issuers approved by Order of the Federal Financial Market Service № 05-5/pz-n dated March 16, 2005.

**OAO "GAZPROM"
FINANCIAL
AND MARKET RATIOS**

CORPORATE GOVERNANCE

The main corporate governance principles accepted and implemented by OAO "Gazprom" are aimed at protecting its shareholders' rights and interests, fair treatment of its shareholders, professional and ethical responsibility of the members of the company's Board of Directors and other officials and shareholders, improvement of information openness and development of its business ethics framework.

The implemented corporate governance principles are worded in OAO "Gazprom" Corporate Governance (Behavior) Code, which was approved by the company's annual General Shareholders Meeting in 2002. In its operations OAO "Gazprom" follows this Code's recommendations.

Shareholders exert their rights related to their participation in managing OAO "Gazprom" primarily by taking decisions on the crucial issues of the company's operation at the General Shareholders Meeting.

The existence of OAO "Gazprom" Dividend policy, which was approved by the Board of Directors and defines the approach towards the distribution of the company's net

profit, provides for the transparency in the dividend income calculation and its growth in line with the increase in OAO "Gazprom" net profit.

The shareholders are provided with objective and exhaustive information about OAO "Gazprom" activities on a timely basis. The General Shareholders Meeting made certain amendments to the Charter in 2005, which envisage notifying the shareholders 30 days in advance about the General Shareholders Meeting to be held.

Certain amendments were also introduced into the Regulation on OAO "Gazprom" Board of Directors related to the Board of Directors' decisions requiring unanimous or qualified majority of votes to be taken.

The Board of Directors acts in the interests of OAO "Gazprom" and its shareholders. The Regulation on the Board of Directors stipulates its members' responsibility to act reasonably and in good faith in OAO "Gazprom" interests.

In July 2005, the Board of Directors established its Valuation Committee and Audit Committee, which started functioning. The Valuation Committee's function is to analyze and draft proposals on improving the valuation procedures with regard to OAO "Gazprom" and its subsidiaries' property involved in their transactions and prepare opinions on the efficiency of any property transactions contemplated by OAO "Gazprom" and its subsidiaries. The Audit Committee's function is to evaluate OAO "Gazprom" potential auditors, the efficiency of OAO "Gazprom" internal control procedures, and the auditor's opinion for the annual General Shareholders Meeting.

An efficient internal control system was established to effectively control OAO "Gazprom" financial and business activities. It consists of the Department of Internal Audit and Control over the Subsidiaries' Financial and Business Activities, the Audit Committee of OAO "Gazprom" Board of Directors, and the Revision Commission.

OAO "Gazprom" meticulously sticks to the legislative requirements with regard to the information disclosure in the security markets as well as provides additional data to better inform its shareholders and all the stakeholders about its activities following the guidelines contained in the Regulation on OAO "Gazprom" Information Disclosure approved by the Resolution of the Board of Directors in February 2005.

The company has a regularly updated web-site in Russian (www.gazprom.ru) and in English (www.gazprom.com) containing information about OAO "Gazprom" history, current events, assets, as well as its financial and business activities.

There is the Issuer's Quarterly Report containing information about OAO "Gazprom" operations, including its accounting (financial) statements, and a report on corporate behavior code compliance, which is submitted to SPBEX in accordance with its listing contract.

The following documents are published on a regular basis:

- consolidated financial statements of Gazprom Group prepared in accordance with the International Financial Reporting Standards (IFRS);
- consolidated interim condensed financial statements of Gazprom Group prepared in accordance with IFRS;
- management's discussion and analysis of financial condition and results of operations of the Company.

AO "Gazprom" prepares its environmental report for the General Shareholders Meeting describing its environmental activities.

In 2005, information about AO "Gazprom" activities was also disclosed in the form of news releases, briefings, press conferences, and telephone conferences.

According to the survey entitled "Information transparency of Russian companies controlled by the Government" carried out by Standard and Poor's in 2005, AO "Gazprom" ranked first in the list of state-owned Russian companies in terms of completeness of their information disclosure.

ASSET MANAGEMENT AND IMPROVING CORPORATE STRUCTURE

In the reporting year, AO "Gazprom" entered an important stage in reaching its strategic goal to evolve into a global energy company and a world leader. In accordance with this goal, AO "Gazprom" improves its corporate structure in the following areas:

Acquisition of Core Assets

In pursuing its objective to expand its resource and production base, AO "Gazprom" performed certain work to acquire core assets in 2005.

- In pursuing horizontal integration, the Group strengthened its presence in the oil production segment in the reporting year by means of acquiring a 75.68 % shareholding in AO "Sibneft". As of the end of 2005, AO "Gazprom" owned a 59.01 % shareholding in this oil producer. A 16.67 % shareholding is owned by AO "Gazprom" 100% subsidiary Gazprom Finance B.V.
- Corporate control was regained over 51 % of shares of Northgas, which holds the license to develop the Severo-Urengoiyskoye field. OOO "Urengoiygazprom" owns 51 % of the company's shares, three members in Northgas' Board of Directors, which consists of five members, are AO "Gazprom" representatives.
- In order to obtain licenses for the use of mineral resources at the Eastern and Western parts of the Yuzno-Kovyktinskaya area of the Irkutsk region AO "Gazprom" acquired a 100% shareholding in AO "Irkutskgazprom".
- The Group established complete control over Sevmorneftegaz, which is the holder of the license for the use of mineral resources at the Shtokmanovskoye and Prirazlomnoye fields. In late 2004, the Group had acquired AO "NK "Rosneft" shareholding in joint activities related to the funding, development, and operation of the Prirazlomnoye oil field and Shtokmanovskoye gas condensate field. Thus AO "Gazprom" became the sole financing participant of the project within the contract on joint activities related to the development of these fields.

Diversification of Activities

In the second quarter of 2005, in order to consolidate its presence in the energy market, AO "Gazprom" purchased from OOO "Novfintech" controlled by Gazprom Group a 100% shareholding in OOO "Gazoenergeticheskaya Kompaniya" having a 10.49 % shareholding in RAO UES. Its control over this asset will allow AO "Gazprom" to participate in the reform of the Russian power industry.

Improving Corporate Structure

The Group has been undergoing internal reform aimed at improving management, strengthening control, and raising the transparency of its operations. The first stage involved the improvement of the corporate governance structure, the main procedures, and the budgeting system at the head company level. The second stage, which is currently underway, is aimed at raising the efficiency of OAO "Gazprom" as a vertically integrated company, ensuring structural optimization of the control over the main types of activities at the subsidiary level, and raising the transparency of costs.

The subsidiaries combining gas production and processing with its transportation and underground storage are to be split into the units specializing in separate types of activities. The structural reorganization will result in a split of cash flows related to the production, transportation, processing, underground storage, and marketing of gas and liquid hydrocarbons. Services, gas distribution networks, and social infrastructure are to be transformed into separate units. The reforms are intended to improve the transparency of operating costs and provide for their fair statement when establishing regulated tariffs for gas transportation. In 2006, the type of activities which are not common for the subsidiaries engaged in production and processing is planned to be transferred to the new specialized subsidiaries, including such OAO "Gazprom" subsidiaries as OOO "Gazprom-PKhG" (underground gas storage) and OOO "Gazprompererabotka" (processing of gas and liquefied hydrocarbons), and specialized service companies will be singled out. It is further planned to complete the consolidation of communications services and establish specialized entities to implement investment projects.

Restructuring of Activity Segments

In order to optimize its corporate structure, management systems, and control over the gas chemical and petrochemical segment, as well as improve stability of its activities, Sibur Group, which is part of OAO "Gazprom", was restructured in 2005. As a result, OAO "Gazprom" and Gazprombank Group gained control over 100% stake in Sibur Holding established with Sibur's participation based on liquid petrochemical and gas chemical assets. Thereby Sibur's and its subsidiaries' debts to OAO "Gazprom" for a total of RR 40.1 billion were settled.

In order to optimize its asset structure, reduce its non-operating expenses, OAO "Gazprom" sold its shareholdings in OAO "Gazprom-Media" and other media companies to OOO "Elion" controlled by Gazprom Group in 2005.

Disposal of Non-core Assets

In 2005, contracts were signed for the sale of non-core assets for a total of RR 21.4 billion. Some of the funds from the sale of non-core assets will be received in the years to come.

As per their budgets for 2005, OAO "Gazprom" and its subsidiaries planned to receive a total of RR 2.781 billion as revenues from the sale of non-core assets.

The actual figures related to the implementation of the budget exclusive of intra-group transactions amounted to RR 5.8 billion including RR 3.7 billion from the sale of shareholdings and RR 2.1 billion received from the sale of other securities as well as movable and immovable property items.

OAo "Gazprom" and its subsidiaries sold over 70 shareholdings including 40 ones sold outside Gazprom Group. A number of large-scale assets were sold such as OAo "Kurgansky Mashinostroitelny Zavod", OAo "Gazprom-Kran", ZAO AKB "Sibirgazbank", OAo KB "Severgazbank", and AO "Vseobshchy Bank po Oborotu Tsennostey".

Transfer of Social Entities to Municipal Authorities

In 2005, the company's subsidiaries continued to transfer social entities to the municipal authorities. 4 400 out of 9 320 such objects (mostly those of housing and social infrastructure) were transferred to the municipal authorities by the end of 2005.

In the reporting year, a contract was signed for the transfer of housing stock, social, cultural, and utility sphere objects recorded on OOO "Urengoigazprom" balance sheet to a municipal formation, i.e. the town of Novy Urengoi. It represented the first time that OAo "Gazprom" transferred the housing and social infrastructure of a town with a population of about 100 thousand people to municipal authorities.

State Registration of OAo "Gazprom" Title to Immovable Property Items

In 2005, the technical inventory of 53 thousand immovable property items belonging to OAo "Gazprom" was generally completed. OAo "Gazprom" arranged for the state registration of its title to 47 % of its real estate items.

In 2005, the company completed all of its topographic and land measuring work, performed most of its land planning work, had over a half of its land plots registered with the state cadastre, and took active measures to sign contracts for leasing out its land plots.

In 2005, work was carried out in the company's 35 subsidiaries to install a software package entitled "Unified Register of the Title to OAo "Gazprom" Immovable Property", which would provide for managing Gazprom Group's immovable property based on a unified information and analytical platform.

MAJOR TRANSACTIONS AND TRANSACTIONS IN WHICH OAo "GAZPROM" HAD AN INTEREST

No major transactions (as defined in the existing Russian legislation) were carried out by OAo "Gazprom" in 2005.

OAo "Gazprom" completed 757 transactions in 2005 defined in the existing Russian legislation as transactions, in which the company has an interest. These were approved by the Resolution of OAo "Gazprom" annual General Shareholders Meeting dated June 24, 2005 (Minutes № 1) and Resolutions of OAo "Gazprom" Board of Directors. The information about these transactions is to be found in the Appendix hereto.

All the transactions approved by the annual General Shareholders Meeting and OAo "Gazprom" Board of Directors support operational and commercial activities of the company and its corporate concern.

MAJOR RISK FACTORS

Any of the risk factors may have an adverse effect on Gazprom's activities and financial standing. If such risks arise Gazprom will take all the possible measures to minimize their adverse effect. There is no guarantee, however, that these actions will rectify the situation since the factors described are beyond Gazprom's control.

Industry Risks

Risks of Higher Competition and Changes in Gas Prices in European Market

Gazprom sells a considerable amount of its natural gas in Europe. Gas sales constitute a major part of sale revenues. Gazprom exports natural gas to the European countries primarily under long-term contracts at prices adjusted to the changing international prices for competing oil products. These prices may fluctuate considerably when influenced by the factors beyond Gazprom's control.

In the European markets, Gazprom faces competition from producers of alternative fuels. There is also intense competition from other natural gas producers, in particular those based in Norway, Algeria, and the Netherlands.

Risk Related to Regulated Gas Prices

In spite of continuous changes in regulated gas prices carried out since 2000, wholesale prices for the natural gas supplied to Russian consumers neither provide for profitable gas sales in the domestic market or reinvestment funds, nor take into consideration a number of important pricing factors, such as the relative price level for the alternative fuels.

Gazprom works with Federal authorities in validating the necessary level of changes in the regulated prices to prevent losses from the sale of gas in the domestic market and ensure the transition to economically reasonable price levels. However, the Government of the Russian Federation is to take the final.

Risks Related to Company's Operations

License-Related Risks

Gazprom carries out its activities related to hydrocarbon exploration and production based on licenses for the use of mineral resources. Most of the licenses are subject to withdrawal provided that the requirements of license agreements are not complied with. Gazprom complies with the major requirements of license agreements. Gazprom plans to prolong the existing licenses for the fields of hydrocarbon raw materials, which will still be productive after the expiry of the licenses.

There are no guarantees that there will be no changes in the current legislation, including licensing aspects, in the future, which might have an adverse effect on Gazprom's activities.

Environmental Risks

Gazprom's production activities are linked to the potential risk of causing environmental pollution or environmental damage. This results in the risk of civil liability and the need to take measures to eliminate such damage. Gazprom monitors its activities in order to comply with the effective environmental standards and implements environmental programs. When devising its financial plans, Gazprom makes

provisions for its liability for environmental pollution when such liability is probable and its amount can be reasonably assessed.

Risks of Equipment Failure

Gazprom's gas exploration, production, and transportation activities may be linked with adverse effects of various factors including equipment damage or failure, possible problems in technological processes, as well as decrease in production figures below the expected production or efficiency levels. At the same time, the UGSS provides for systemic reliability of gas supply (i.e. if an accident occurs at one of its parts gas can still be supplied using other routes due to inter-system links and bypasses). Also, Gazprom constantly monitors the systems of gas supplies to consumers, reconstructs and upgrades them, thus mitigating such risks.

Country and Regional Risks

Risks Related to European Gas Market Liberalization

The implementation of the EU Gas Directives, adopted in 1998 and 2003, resulted in the growing liberalization of the European Union gas market. They seek to stimulate competition and bring down prices for ultimate consumers. All the consumers (except those in the utility sector) received the right to select their gas supplier since July 1, 2004; such right is to be effective for all the consumers from mid-2007.

The implementation of the EU Gas Directives will promote the development of the market for short-term and spot transactions with natural gas. Expanding natural gas trade using short-term and spot transactions may complicate prolongation and signing of long-term gas supply contracts for Gazprom. However, when it is economically efficient Gazprom uses spot transactions to sell additional gas volumes (sometimes at higher prices).

In its Gas Directive 2003/55/EC the European Union officially admits the importance of long-term contracts to supply natural gas to EU member countries. There is no guarantee, however, that the EU authorities will not change their position in the future.

Risks Related to Natural Gas Transportation

Gazprom natural gas export activities depend upon transit countries with transitional economies, Ukraine in particular. Sometimes part of natural gas used to be off-taken not due to the terms of existing transit contracts when moving through Ukraine. At the same time, Ukraine is dependent upon Gazprom in covering its needs in natural gas.

Gazprom takes measures to minimize the risks related to the natural gas transit through Ukraine. A package of documents was signed, which set out the terms and conditions of Russian and Ukrainian cooperation in the field of natural gas supplies and transit for the period up to 2028.

In order to offset this risk Gazprom diversifies gas export routes. An example of such work is the project of the Yamal-Europe pipeline construction to pass through the territories of Belarus and Poland and the decision to construct the North European Gas Pipeline under the Baltic Sea.

Financial Risks

Risk of Changes in Currency Exchange Rates

The main currency exchange risk for Gazprom is related to the fluctuation of the rouble to US dollar and rouble to Euro exchange rates. Rouble depreciation in relation to US dollar or Euro will result in higher costs and expenses denominated in foreign currency as well as in higher rouble value of outstanding loans denominated in foreign currency. The risks related to the fluctuation of currency exchange rates are limited because most of Gazprom's revenues (over 50 % annually) are also denominated in US dollars and Euro.

Risk of Changes in Interest Rates

A considerable part of Gazprom's debt portfolio is presented by syndicated loans granted by Western banks. Many of these loans have an interest rate based on LIBOR/EURIBOR rates for inter-bank loans. Thus higher interest rates may result in higher debt service cost for Gazprom.

Over the past few years, the share of loans with a fixed interest rate has increased in Gazprom's debt portfolio mitigating this risk to a certain extent.

Risks Related to Customs, Currency, and Tax Regulations

Risks Related to the Monetary Policy of the Central Bank of the Russian Federation (Bank of Russia)

In implementing its monetary policy the Bank of Russia indirectly influences the financial markets and the money supply. Its major priority for the time being is to maintain a stable rouble exchange rate and raise its actual purchasing power. In pursuing these goals through its various tools, the Bank of Russia influences the companies both directly in indirectly. Any actions taken by the Bank of Russia may either decrease or increase Gazprom's risks, which will influence financial performance of the company.

Risk of Changes in Currency Regulation

Gazprom participates in foreign trade, has some of its assets and liabilities denominated in foreign currency as well as foreign currency accounts opened with foreign banks and their branches located abroad. Therefore the company is subject to considerable risks of changes in currency regulation.

The law "On currency regulation and currency control" effective from June 2004 enables the Government and the Central Bank of the Russian Federation to take measures aimed at strengthening currency control including that over Russian companies' transactions with foreign securities and borrowings denominated in foreign currency. The law sets a number of limits related to transactions with foreign currency such as making obligatory provisions with the Bank of Russia and authorized banks for certain types of transactions with foreign currency, notifying about opening certain accounts abroad, carrying out some other transactions with foreign currency and opening special accounts in order to make settlements in foreign currency.

In 2005, the Russian Federation regulations concerning currency regulation and currency control were amended. These amendments were aimed at liberalization and further improvement of the currency regulation regime. In particular, changes were

introduces to the procedures for preliminary registration of accounts, the provisions regulating opening of residents' accounts with banks outside the Russian Federation as well as the procedures for making provisions and recovering these provisions. Effective from January 2006, currency regulation authorities are not entitled to demand that any residents or non-residents should obtain individual permits.

However, the existing limitations with regard to carrying out foreign currency transactions may have an adverse effect on Gazprom operating results, in particular on the company's ability to repay loans.

Risk of Changes in Tax Legislation

Gazprom is one of the largest taxpayers in the Russian Federation paying federal, regional, and local taxes, in particular value added tax (VAT), excise tax, corporate income tax, unified social tax, corporate property tax, and land tax.

The tax reform carried out in the Russian Federation over the recent years is accompanied by a decrease in tax burden. Thus, a flat individual income tax rate of 13 % has been established, corporate income tax has been decreased from 35 % down to 24 %. Value added tax (VAT) has been decreased from 20 % down to 18 % effective from January 1, 2004. The maximum unified social tax rate has also been decreased from 35.6 % down to 26 % effective from January 1, 2005.

At the same, a decreased tax burden for one tax is sometimes accompanied by an increased tax burden for another one in the field of Gazprom's activities. For instance, excise tax on natural gas was canceled effective from January 1, 2004, whereas export duties on natural gas were raised from 5 to 30 %. A mineral resources tax (MRT) rate of RR 107 per 1 000 cubic meters of the natural gas produced replaced a rate of 16.5 % of the cost of the natural gas produced, which used to amount to about RR 32 per 1 000 cubic meters. When selling oil and natural gas to the CIS countries, the sales are subject to a 0 % VAT rate effective from January 1, 2005. At the same time, the MRT rate was increased from RR 107 up to RR 135 per 1 000 cubic meters of the natural gas produced effective from January 1, 2005.

Also, effective from January 1, 2005, revenues received by Russian companies and individual tax residents in a form of dividends as a result of having a share in other companies' activities are now taxed at a rate of 9 % compared to an earlier rate of 6 %.

There is a risk of further changes or amendments to the legislation on tax and charges, which may result in higher tax burden for Gazprom.

Risk of Changes in Customs Control Rules and Customs Duties

Article 315 of the new Customs Code of the Russian Federation vests customs authorities with a right to demand guarantees of customs payments. At the same time, the Instruction approved by Order of the State Customs Service of the Russian Federation № 1013 dated September 15, 2003, charges tax authorities with ensuring that customs payments are collected.

The State Customs Service of the Russian Federation has granted a permit to OAO "Gazprom" / OOO "Gazexport" to get customs clearance for its natural gas without securing its customs payments. However, OAO "Gazprom" may not guarantee that this permit will not be withdrawn or challenged in the future.

In addition, moving to the system of unsecured customs payments creates a risk related to tough deadlines to transfer customs duties and charges and strict compliance with a 50 % advance payment for each contract.

When exporting gas to European countries involving the transit through Ukraine, risks may arise related to unauthorized off-takes of gas intended for Western consumers. Such situation complicates customs control procedures.

SIGNIFICANT LAW SUITS FILED AGAINST GAZPROM GROUP

- 1.** An American company Moncrief Oil International Inc. filed a law suit against OAO "Gazprom" in the U.S. District Court for the Northern District of the State of Texas on June 7, 2005 demanding a restoration of its rights to the Yuzhno-Russkoye field and/or OAO "Severneftegazprom" or compensation of losses estimated by the claimant at several billion dollars. OAO "Gazprom" has never signed or approved any agreements with Moncrief Oil International Inc., has never received any payments thereunder, and has never agreed to the hearing of disputes with its participation in any of the US courts. In March 2006, the court declined the law suit due to having no jurisdiction with regard to OAO "Gazprom". The claimant submitted an appeal.
- 2.** In July 2005, a firm Minardi filed a claim in the Faenza court demanding an arrest of OAO "Gazprom" property for a total of US \$ 56 million as a security of OAO "Gazprom" alleged obligation to provide sponsorship support to Minardi. The Faenza court passed a resolution to completely dismiss Minardi's claim.
- 3.** OAO "NK "YUKOS" (YUKOS) filed a law suit in the Moscow Arbitration Court against the Russian Fund of Federal Property, OOO "Baikalfinansgrup", OAO "NK "Rosneft", OOO "Gazpromneft", OAO "Gazprom", and the Ministry of Finance of the Russian Federation. In its law suit, YUKOS asked to invalidate the auction, which was held on December 19, 2004, to sell shares in OAO "Yuganskneftegaz", and the contract signed at the said auction and to enforce a collective compensation for its losses and damages for a total of RR 388.3 billion from the defendants.
- 4.** In October 2005, a law suit was filed with the US District Court for the District of Columbia on behalf of 12 American shareholders of YUKOS against the Russian Federation and other defendants including OAO "Gazprom". The shareholders intend to get a compensation to offset the decrease in the YUKOS' shares value. After the defendant's opinion is provided, the court will consider its jurisdiction on this case.
- 5.** The Bluefield Group Corporation (Bahama Islands) filed a law suit against OAO "Gazprom" claiming a compensation of RR 355.5 million. The first instance court dismissed the suit. The appeal court and the court of review confirmed the validity of the resolution.
- 6.** A law suit filed by OOO "Stilkant" against OAO "Gazprom" claiming a compensation of an equivalent of US \$ 10.4 million was satisfied by the resolution of the first instance court. The appeal court canceled this resolution and dismissed the law suit. The claimant submitted an appeal to the court of review.

7. OAO "Rosgazifikatsiya" filed a law suit against OAO "Gazprom" and ZAO "SR DRAGA" claiming to enforce a collective compensation for its losses for a total of RR 1,459 million. The proceedings were dismissed in 2005. The Higher Arbitration Court of the Russian Federation has recently transferred the case to the Moscow Arbitration Court for a trial procedure.

8. OAO "Rosgazifikatsiya" filed a law suit against OAO "Gazprom", V.V. Plotnikov, ZAO "SR DRAGA", and OYuL "Depozitarno-raschyotny Soyuz" claiming to enforce a collective compensation of its losses for a total of RR 9,370 million. The Cheryomushkinsky District Court of Moscow passed a resolution to dismiss the law suit. The Moscow City Court canceled the resolution and returned the case to the Cheryomushkinsky District Court of Moscow to be tried anew. OAO "Gazprom" has lodged a supervisory complaint on the decision of the Moscow City Court.

9. OOO "SpetsStroyKompleks-68" filed a law suit against OAO "Gazprom" claiming a compensation of RR 159.2 million. The first instance court partially satisfied the law suit for a total of RR 75.5 million. OAO "Gazprom" filed an appeal (the court proceedings in the appeal instance court were suspended after OAO "Gazprom" petition for an additional expert evaluation was satisfied).

**GLOSSARY
OF BASIC TERMS
AND ABBREVIATIONS**

ADR of OAO "Gazprom"

An American depository receipt (an American depository share) issued on OAO "Gazprom" shares, equals 10 ordinary OAO "Gazprom" shares as of December 31, 2005.

ADR Program

OAO "Gazprom" ADR Program Level 1

ADR Program Level 1

ADRs issued within this program are freely traded in the US over-the-counter markets and in the European stock markets.

ADR Program Regulation S

ADRs issued within this program are traded in the European stock markets (outside the USA).

Baltic States

Lithuania, Latvia, and Estonia

BCS

Booster compressor station – a production station, which is used to compress natural gas in order to ensure its compliance with the design quality and quantity for a specific field and the estimated pressure in the trunk pipeline system

Central Asia

Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan

Central and Eastern Europe

Bulgaria, Bosnia, Croatia, Czech Republic, Hungary, Macedonia, Poland, Romania, Serbia and Montenegro, Slovakia, Slovenia

CGTU

Comprehensive gas treatment unit

CIS

Commonwealth of Independent States

CS

Compressor Station

Energy Strategy of Russia

Russian energy strategy for the period up to 2020. It was approved by Regulation of the Government of the Russian Federation No.1234-r dated August 28, 2003.

EU

European Union

EU Gas Directives

The Directive adopted by the European Parliament in August 1998 and replaced with the new Directive on July 26, 2003. Their purpose is to establish general rules for the structure and functioning of the European natural gas market

FTS

Federal Tariff Service of the Russian Federation

Gas cubic meter

Cubic meter of natural gas as measured at a pressure of one atmosphere and 20°C

Gas sales

Volume of gas sold to the consumers in the considered market with no account taken of the intra-group sales. This includes all the gas sold by Gazprom Group, i.e. the one produced at its own fields and purchased from third companies.

Gazprom Group, Group, Gazprom

OAO "Gazprom" (head company) and its subsidiaries taken as a whole. For the purpose of the Annual Report, the list of subsidiaries was prepared on the basis used in the preparation of OAO "Gazprom" combined accounting (financial) statements in accordance with the requirements of the Russian legislation.

Hydrocarbon reserves (categories A+B+C1)

Explored reserves according to the Russian standards of classification. It is a part of geological reserves, which extraction for the date of calculation is economically efficient, considering market conditions and rational use of modern equipment and technologies, and also satisfying requirements of the bowel and environmental protection.

Explored gas reserves (categories A+B+ C1) are considered as recoverable. For oil and gas condensate reserves special index of extraction is used. This index is calculated taking into account geological and technical factors.

IFRS

International financial reporting standards

LNG

Liquefied natural gas

LSE

London Stock Exchange

MAC

"Middle Asia – Center" gas transportation system

MICEX

Moscow Interbank Currency Exchange

MRT

Mineral resources tax

NEG

North European Gas Pipeline

OYuL

Group of legal entities

PGTU

Preliminary gas treatment unit

**Principles for Gazprom Group's
Hydrocarbon Reserves Accounting**

The hydrocarbon reserves data shown in the report takes into account Gazprom Group's control over or influence upon the organization, which is qualified as a subsoil user. Gazprom Group's reserves include hydrocarbon reserves at the fields belonging to OAO "Gazprom" and Gazprom Group's entities consolidated as subsidiaries (in full amount) and at the fields owned by the entities consolidated using a proportional consolidation basis (pro rata to the proportionate share belonging to Gazprom Group's entities).

SPBEX

Non-commercial partnership "St. Petersburg Stock Exchange"

Spot transactions

Individual transactions related to the sale of natural gas in the EU market

SRT0-Torzhok

A pipeline connecting the Northern Areas of the Tyumen Region with the city of Torzhok

tce

A ton of standard coal equivalent is equal to 877 cubic meters of natural gas

toe

A ton of oil equivalent is equal to 1 125 cubic meters of natural gas

UGSF

Underground Gas Storage Facility

UGSS

Unified Gas Supply System of Russia

VAT

Value added tax

Western Europe

Austria, Andorra, Belgium, Germany, Greenland, Greece, Denmark, Irish Republic, Iceland, Spain, Italy, Cyprus, Lichtenstein, Luxemburg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, United Kingdom of Great Britain and Northern Ireland, Turkey, Finland, France, Switzerland, and Sweden

ADDRESSES AND CONTACTS

Full name

Open Joint Stock Company "Gazprom"

Abbreviated name

OAO "Gazprom"

Location

16 Nametkina St., Moscow, Russian Federation

Mail address

16 Nametkina St., 117997, Moscow, V-420, GSP-7
Tel.: (7-495) 719-30-01 (for references). Fax: (7-495) 719-83-33, 719-37-37
www.gazprom.ru
www.gazprom.com

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 02.08.2002; No. 1027700070518

Identification Number Of Taxpayer (INN)

7736050003

Head of Shareholders Relationship and Share Capital Office

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Head of Information, Analysis and Forecasting Office

Baryshnikov Mikhail Yurievich
Tel.: (7-495) 719-44-48. Fax: (7-495) 719-35-41
E-mail: M.Baryshnikov@adm.gazprom.ru

Head of Investor Relations Information Office

Zhdanovich Dmitri Vadimovich
Tel.: (7-495) 719-10-97. Fax: (7-495) 719-10-37
E-mail: Zhdanovich@gazprom.ru

Auditor to OAO "Gazprom"

ZAO "PricewaterhouseCoopers Audit"

Location and mail address

52 Kosmodamianskaya Nab., Bld. 5, Moscow, 115054, Russian Federation
Tel.: (7-495) 967-60-00. Fax: (7-495) 967-60-01.
E-mail: pwc.Russia@ru.pwc.com.

License

No. E 000376 issued 20.05.2002
by the Ministry of Finance of the Russian Federation

Registrar of OAO "Gazprom"

ZAO "Specialized registrar –
Holder of gas industry shareholders register" ("SR-DRAGA")

Location and mail address

71/32 Novocheremushkinskaya St., 117420, Moscow
Tel.: (495) 719-39-29. Fax: (495) 719-45-85.

GAZP	276.69	↑	1.84	271.69	276.69
EESR	20.667	↑	0.83	20.497	20.667
LKOH	2 564.9	↑	1.38	2 530	2 565
RTKM	100.2	↑	3.67	96.65	100.17
SBER	43 999	↑	1.03	43 550.01	43 990
GMKN5	3 176.89	↑	1.21	3 138.85	3 176.88
SNGS	49.289	↑	1.84	48.4	49.289
SBERP	784.48	↑	0.25	782.49	784.5
URSI	1.222	↑	2	1.198	1.223
TATN3	163.25	↑	0.46	162.5	163.251
RTKMP	66	↑	1.93	64.75	66.15
SNGSP	37.13	↑	0.62	36.9	37.135
SIBN	146.7	↑	0.14	146.5	146.69
TATNP3	94.487	↓	-0.54	95	94.487
MSNG	5.028	↑	0.2	5.018	5.03

On December 23, 2005, Russian President Vladimir Putin signed a Decree on OAO "Gazprom" share market liberalization. Together with the Regulation of the Government of the Russian Federation and amendments to the Federal Law "On gas supply", the Decree canceled any restriction related to the acquisition of OAO "Gazprom" shares by foreign holders and removed any barriers separating the markets where the company's securities can be traded. The liberalization of the company's share market became a prerequisite for first-rate investors to become OAO "Gazprom" shareholders. These primarily include international funds operating with pension and insurance companies' funds. The liberalization will contribute to the long-term growth of OAO "Gazprom" shareholder value, which is a key term for its evolving into a world leading global energy company.

54. Contract for a bank guarantee for a total of RR50,000,000 with AB "Gazprombank" (ZAO) effective from 01.03.2005 through 28.04.2006 to secure customs payments as well possible interest and fines arising from the activities as a customs broker. The annual fee is 1.0 % of the guarantee. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

55. Contract for keeping the minimum balance on the account amounting to £10,000,000 with AB "Gazprombank" (ZAO) effective from 21.02.2005 through 24.02.2005 and bearing an annual interest rate of 2.15 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

56. Contract for keeping the minimum balance on the account amounting to £10,000,000 with AB "Gazprombank" (ZAO) effective from 18.02.2005 through 21.02.2005 and bearing an annual interest rate of 2.15 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

57. Contract for keeping the minimum balance on the account amounting to RR2,000,000,000 with AB "Gazprombank" (ZAO) effective from 21.02.2005 through 22.02.2005 and bearing an annual interest rate of 0.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

58. Contract for keeping the minimum balance on the account amounting to RR12,000,000,000 with AB "Gazprombank" (ZAO) effective from 18.02.2005 through 21.02.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

59. Contract for keeping the minimum balance on the account amounting to RR5,500,000,000 with AB "Gazprombank" (ZAO) effective from 17.02.2005 through 18.02.2005 and bearing an annual interest rate of 0.4 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

60. Contract for keeping the minimum balance on the account amounting to RR7,200,000,000 with AB "Gazprombank" (ZAO) effective from 28.02.2005 through 01.03.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

61. Contract for keeping the minimum balance on the account amounting to RR10,500,000,000 with AB "Gazprombank" (ZAO) effective from 01.03.2005 through 02.03.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

62. Contract for keeping the minimum balance on the account amounting to RR8,000,000,000 with AB "Gazprombank" (ZAO) effective from 01.03.2005 through 09.03.2005 and bearing an annual interest rate of 1 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

63. Contract for keeping the minimum balance on the account amounting to RR9,500,000,000 with AB "Gazprombank" (ZAO) effective from 02.03.2005 through 03.02.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

64. Contract for keeping the minimum balance on the account amounting to £5,000,000 with AB "Gazprombank" (ZAO) effective from 24.02.2005 through 25.02.2005 and bearing an annual interest rate of 4.85 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

65. Contract for keeping the minimum balance on the account amounting to US\$200,000,000 with AB "Gazprombank" (ZAO) effective from 01.03.2005 through 09.03.2005 and bearing an annual interest rate of 2.15 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

66. Long-term property lease contract (for communications lines) with ZAO "Gaztelekom" effective from 01.01.2004 through 31.12.2008. The monthly lease payment is RR1,145,432. The interested person is M.L. Sereda, member of OAO "Gazprom" Board of Directors. Approved by the Resolution No. 657 of the Board of Directors dated 19.01.2005.

67. Agreement on the amendment of property lease contract № 08/1600-D-2/2004 dated 01.01.2004 with ZAO "Gaztelekom" due to the need to withdraw the communications lines from short-term lease and lease them out on a long-term basis. The agreement takes effect from 21.03.2005. The monthly lease payment is RR22,015. The interested person is M.L. Sereda, member of OAO "Gazprom" Board of Directors. Approved by the Resolution No. 657 of the Board of Directors dated 19.01.2005.

68. Additional agreement to lease contract № D-17-993 dated 07.08.2000 with AB "Gazprombank" (ZAO) due to its prolongation and change in the lease payment and VAT rate. The agreement takes effect from 20.01.2005. The monthly lease payment is RR153,836. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution No. 657 of the Board of Directors dated 19.01.2005.

69. Contract for keeping the minimum balance on the account amounting to £10,000,000 with AB "Gazprombank" (ZAO) effective from 03.03.2005 through 09.03.2005 and bearing an annual interest rate of 2.15 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

70. Contract for keeping the minimum balance on the account amounting to 300,000,000 Euros with AB "Gazprombank" (ZAO) effective from 04.03.2005 through 09.03.2005 and bearing an annual interest rate of 2 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

71. Contract for keeping the minimum balance on the account amounting to RR3,000,000,000 with AB "Gazprombank" (ZAO) effective from 03.03.2005 through 04.03.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

72. Contract for keeping the minimum balance on the account amounting to RR4,800,000,000 with AB "Gazprombank" (ZAO) effective from 04.03.2005 through 05.03.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

145. Contract for keeping the minimum balance on the account amounting to RR6,000,000,000 with AB "Gazprombank" (ZAO) effective from 26.04.2005 through 27.04.2005 and bearing an annual interest rate of 0.4 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

146. Contract for keeping the minimum balance on the account amounting to RR8,000,000,000 with AB "Gazprombank" (ZAO) effective from 20.04.2005 through 21.04.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

147. Contract for keeping the minimum balance on the account amounting to £20,000,000 with AB "Gazprombank" (ZAO) effective from 25.04.2005 through 29.04.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

148. Contract for keeping the minimum balance on the account amounting to 170,000,000 Euros with AB "Gazprombank" (ZAO) effective from 20.04.2005 through 21.04.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

149. Contract for keeping the minimum balance on the account amounting to 150,000,000 Euros with AB "Gazprombank" (ZAO) effective from 21.04.2005 through 22.04.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

150. Contract for keeping the minimum balance on the account amounting to 100,000,000 Euros with AB "Gazprombank" (ZAO) effective from 22.04.2005 through 25.04.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

151. Contract for gas transportation services with OAO "AK "Sibir" effective from 01.01.2005 through 31.12.2005. The fee is RR19.37 per 1,000 cubic meters per 100 km. The volume of gas transported in 2005 amounted to 5,363.94 mcm. The interested persons are the following members of OAO "Gazprom" executive bodies: A.N. Ryazanov, K.G. Seleznev, A.V. Kruglov, M.L. Sereda. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

152. Supply Contract with OAO "Sibir" effective from 01.02.2005 through 31.12.2005. The gas price amounted to RR620 per 1,000 cubic meters in the 1st and 2nd quarter of 2005 and RR560 per 1,000 cubic meters in the 3rd and 4th quarter of 2005. The volume of gas purchased amounted to 800 mcm in the 1st quarter of 2005 and 200 mcm in the 2nd quarter of 2005. The interested persons are the following members of OAO "Gazprom" executive bodies: A.N. Ryazanov, K.G. Seleznev, A.V. Kruglov, M.L. Sereda. Approved by the Resolution No. 723 of the Board of Directors dated 23.05.2005.

153. Agreement on the termination of contract № 1NPTr/k-2004 dated 23.01.2004 with OAO "Vostokgazprom". The contract was terminated effective from 01.10.2004. The parties are to complete their settlements (mutual settlements) for the services, which were actually rendered under the contract, by 01.06.2005. The interested persons are the following members of OAO "Gazprom" executive bodies: M.L. Sereda, A.V. Kruglov, K.G. Seleznev, K.A. Chuichenko. Approved by the Resolution No. 693 of the Board of Directors dated 01.04.2005.

154. Contract for gas transportation services with OAO "Tomsgazprom". The Contract takes effect from 01.10.2004. The gas transportation fee per 1 000 cubic meters per 100 km is set at RR 20.28 effective from 01.10.2004 through 31.12.2004 and RR 23.24 effective from 01.01.2005 through 30.09.2005. The interested persons are the following members of OAO "Gazprom" executive bodies: M.L. Sereda, A.V. Kruglov, K.G. Seleznev, K.A. Chuichenko. Approved by the Resolution No. 693 of the Board of Directors dated 01.04.2005.

155. Contract for the bank account in Russian Federation currency (with application of full-format electronic payment documents) with AK "Sberbank" RF (OAO) effective from 16.05.2005 through 16.05.2006. The interested person is B.G. Fedorov, member of OAO "Gazprom" Board of Directors. Approved by the Resolution No. 680 of the Board of Directors dated 22.05.2005.

156. Contract for keeping the minimum balance on the account amounting to RR2,500,000,000 with AB "Gazprombank" (ZAO) effective from 05.05.2005 through 06.05.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

157. Contract for keeping the minimum balance on the account amounting to RR2,500,000,000 with AB "Gazprombank" (ZAO) effective from 06.05.2005 through 11.05.2005 and bearing an annual interest rate of 0.75 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

158. Contract for keeping the minimum balance on the account amounting to 100,000,000 Euros with AB "Gazprombank" (ZAO) effective from 05.05.2005 through 06.05.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

159. Contract for keeping the minimum balance on the account amounting to US\$250,000,000 with AB "Gazprombank" (ZAO) effective from 12.05.2005 through 16.05.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

160. Contract for keeping the minimum balance on the account amounting to US\$400,000,000 with AB "Gazprombank" (ZAO) effective from 06.05.2005 through 11.05.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

161. Contract for keeping the minimum balance on the account amounting to £26,000,000 with AB "Gazprombank" (ZAO) effective from 11.05.2005 through 16.05.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

162. Contract for keeping the minimum balance on the account amounting to RR3,200,000,000 with AB "Gazprombank" (ZAO) effective from 12.05.2005 through 13.05.2005 and bearing an annual interest rate of 0.35 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

163. Contract for keeping the minimum balance on the account amounting to RR1,500,000,000 with AB "Gazprombank" (ZAO) effective from 11.05.2005 through 12.05.2005 and bearing an annual interest rate of 0.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

272. Contract for keeping the minimum balance on the account amounting to 250,000,000 Euros with AB "Gazprombank" (ZAO) effective from 22.06.2005 through 23.06.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

273. Contract for keeping the minimum balance on the account amounting to 300,000,000 Euros with AB "Gazprombank" (ZAO) effective from 21.06.2005 through 22.06.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

274. Contract for keeping the minimum balance on the account amounting to 300,000,000 Euros with AB "Gazprombank" (ZAO) effective from 20.06.2005 through 21.06.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

275. Contract for keeping the minimum balance on the account amounting to 400,000,000 Euros with AB "Gazprombank" (ZAO) effective from 17.06.2005 through 20.06.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

276. Contract for keeping the minimum balance on the account amounting to 150,000,000 Euros with AB "Gazprombank" (ZAO) effective from 16.06.2005 through 17.06.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

277. Contract for keeping the minimum balance on the account amounting to 300,000,000 Euros with AB "Gazprombank" (ZAO) effective from 16.06.2005 through 17.06.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

278. Contract for keeping the minimum balance on the account amounting to US\$220,000,000 with AB "Gazprombank" (ZAO) effective from 16.06.2005 through 17.06.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

279. Contract for keeping the minimum balance on the account amounting to US\$300,000,000 with AB "Gazprombank" (ZAO) effective from 17.06.2005 through 20.06.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

280. Contract for keeping the minimum balance on the account amounting to US\$100,000,000 with AB "Gazprombank" (ZAO) effective from 20.06.2005 through 21.06.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

281. Contract for keeping the minimum balance on the account amounting to US\$300,000,000 with AB "Gazprombank" (ZAO) effective from 21.06.2005 through 22.06.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

282. Contract for keeping the minimum balance on the account amounting to US\$200,000,000 with AB "Gazprombank" (ZAO) effective from 22.06.2005 through 23.06.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

283. Contract for keeping the minimum balance on the account amounting to US\$500,000,000 with AB "Gazprombank" (ZAO) effective from 23.06.2005 through 24.06.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

284. Contract for keeping the minimum balance on the account amounting to €28,800,000 with AB "Gazprombank" (ZAO) effective from 17.06.2005 through 20.06.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

285. Contract for keeping the minimum balance on the account amounting to €27,500,000 with AB "Gazprombank" (ZAO) effective from 20.06.2005 through 24.06.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, and A.I. Medvedev. Approved by the Resolution of the annual General Shareholders Meeting dated 25.06.2004.

286. Contract for the purchase of additional ordinary shares of AO "KazRosGaz" with AO "KazRosGaz" for a total of 17,500 shares. The contract takes effect on 13.07.2005. The total amount payable for the shares is 17,500,000 tenge. The interested persons are the following members of OAO "Gazprom" executive bodies: K.G. Seleznev, A.N. Ryazanov. Approved by the Resolution No. 683 of the Board of Directors dated 10.03.2005.

287. Contract for the security for the debt repayment by OOO "Gazenergeticheskaya Kompaniya" with AB "Gazprombank" (ZAO) including the principal and interest charged for the use of the loan under loan contracts № 138/05-R and № 138/05-V dated 28.07.2005. The contract is effective from 28.07.2005 through 31.10.2005. The liability is limited to RR23,190,000,000.00. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution No. 745 of the Board of Directors dated 26.07.2005.

288. Contract for the security for the debt repayment by OOO "Gazenergeticheskaya Kompaniya" with AB "Gazprombank" (ZAO) including the principal and interest charged for the use of the loan under loan contract № 138/05-R dated 28.07.2005. The contract is effective from 28.07.2005 through 31.10.2005. The liability is limited to RR16,225,000,000.00. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution No. 745 of the Board of Directors dated 26.07.2005.

289. Contract for keeping the minimum balance on the account amounting to US\$400,000,000 with AB "Gazprombank" (ZAO) effective from 24.06.2005 through 27.06.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

362. Contract for keeping the minimum balance on the account amounting to RR7,500,000,000 with AB "Gazprombank" (ZAO) effective from 12.07.2005 through 13.07.2005 and bearing an annual interest rate of 1.2 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

363. Contract for keeping the minimum balance on the account amounting to RR3,000,000,000 with AB "Gazprombank" (ZAO) effective from 13.07.2005 through 14.07.2005 and bearing an annual interest rate of 0.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

364. Contract for keeping the minimum balance on the account amounting to RR2,500,000,000 with AB "Gazprombank" (ZAO) effective from 14.07.2005 through 15.07.2005 and bearing an annual interest rate of 1.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

365. Contract for keeping the minimum balance on the account amounting to RR2,700,000,000 with AB "Gazprombank" (ZAO) effective from 15.07.2005 through 18.07.2005 and bearing an annual interest rate of 2.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

366. Contract for keeping the minimum balance on the account amounting to RR5,000,000,000 with AB "Gazprombank" (ZAO) effective from 18.07.2005 through 19.07.2005 and bearing an annual interest rate of 1.25 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

367. Contract for the supply of office furniture with OOO "Mezhregiongaz". The contract takes effect from 12.04.2005. The contract amount is RR1,994,596.78. The interested person is K.G. Seleznev, member of OAO "Gazprom" collegial executive body. Approved by Resolution No.727 of the Board of Directors dated 12.07.2005.

368. Loan contract with OOO "TsentrKasneftegaz". The loan amount is RR114,700,000. The repayment deadline is 25.12.2005. The annual interest charged for the use of the borrowed funds is 2 % of the loan amount. The interested persons are the following members of OAO "Gazprom" collegial executive body: V.G. Podyuk and A.V. Kruglov. Approved by the Resolution No. 749 of the Board of Directors dated 28.07.2005.

369. Agency contract with OAO "Zapsibgazprom" for a range of work related to the registration of OAO "Gazprom" title to land plots and for the fulfillment of lease contracts. The agency commission fee is 0.01 % (inclusive of VAT) from the amount of expenses incurred by OAO "Zapsibgazprom" except for the rental payments under the lease contracts and 0.01 % (inclusive of VAT) from the amount of the rental payments under the lease contracts. The advance payment is 30 of the cost of work. The contract takes effect from 10.06.2005 and is valid for an unlimited period. The interested persons are the following members of OAO "Gazprom" collegial executive body: A.N. Ryazanov, V.V. Ilyushin and A.V. Kruglov. Approved by the Resolution No. 703 of the Board of Directors dated 04.05.2005.

370. Contract for keeping the minimum balance on the account amounting to 320,000,000 Euros with AB "Gazprombank" (ZAO) effective from 05.08.2005 through 08.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

371. Contract for keeping the minimum balance on the account amounting to 20,000,000 Euros with AB "Gazprombank" (ZAO) effective from 04.08.2005 through 05.08.2005 and bearing an annual interest rate of 7.75 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

372. Contract for keeping the minimum balance on the account amounting to 350,000,000 Euros with AB "Gazprombank" (ZAO) effective from 04.08.2005 through 05.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

373. Contract for keeping the minimum balance on the account amounting to 120,000,000 Euros with AB "Gazprombank" (ZAO) effective from 03.08.2005 through 04.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

374. Contract for keeping the minimum balance on the account amounting to US\$250,000,000 with AB "Gazprombank" (ZAO) effective from 05.08.2005 through 08.08.2005 and bearing an annual interest rate of 2.4 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

375. Contract for keeping the minimum balance on the account amounting to US\$500,000,000 with AB "Gazprombank" (ZAO) effective from 05.08.2005 through 08.08.2005 and bearing an annual interest rate of 2.4 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

376. Contract for keeping the minimum balance on the account amounting to US\$520,000,000 with AB "Gazprombank" (ZAO) effective from 04.08.2005 through 05.08.2005 and bearing an annual interest rate of 2.4 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

377. Contract for keeping the minimum balance on the account amounting to RR6,000,000,000 with AB "Gazprombank" (ZAO) effective from 05.08.2005 through 08.08.2005 and bearing an annual interest rate of 1.0 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

378. Contract for keeping the minimum balance on the account amounting to US\$430,000,000 with AB "Gazprombank" (ZAO) effective from 03.08.2005 through 04.08.2005 and bearing an annual interest rate of 2.4 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

379. Contract for keeping the minimum balance on the account amounting to RR4,300,000,000 with AB "Gazprombank" (ZAO) effective from 04.08.2005 through 05.08.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

380. Contract for keeping the minimum balance on the account amounting to RR9,800,000,000 with AB "Gazprombank" (ZAO) effective from 03.08.2005 through 04.08.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

435. Additional agreement to gas supply contract № 16P-2005 dated 11.05.2005 due to the setting of gas supply volume and gas price for the 2nd half of 2005 with OAO "Sibur". The price is RR620.00 per 1,000 cubic meters. The volume of gas supply is up to 363.00 mcm in the 1st quarter, 0.00 mcm in the 2nd quarter, and up to 638.00 mcm in the 3rd quarter (from July through August). The additional agreement takes effect from 01.07.2005. The interested person is A.N. Ryazanov, member of OAO "Gazprom" collegial executive body. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

436. Additional agreement to contract for the collateral № AKS.4077.16-3 dated 26.03.2001 due to lifting of a ban on any transactions related to the pledger's right to operate with shares with OAO "Sibur". The additional agreement takes effect from 29.08.2005. The interested person is A.N. Ryazanov, member of OAO "Gazprom" collegial executive body. Approved by the Resolution No. 741 of the Board of Directors dated 22.07.2005.

437. Contract for keeping the minimum balance on the account amounting to RR7,000,000,000 with AB "Gazprombank" (ZAO) effective from 16.08.2005 through 17.08.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

438. Contract for keeping the minimum balance on the account amounting to RR1,700,000,000 with AB "Gazprombank" (ZAO) effective from 17.08.2005 through 18.08.2005 and bearing an annual interest rate of 0.75 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

439. Contract for keeping the minimum balance on the account amounting to US\$50,000,000 with AB "Gazprombank" (ZAO) effective from 15.08.2005 through 16.08.2005 and bearing an annual interest rate of 2.6 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

440. Contract for keeping the minimum balance on the account amounting to 100,000,000 Euros with AB "Gazprombank" (ZAO) effective from 15.08.2005 through 16.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

441. Contract for keeping the minimum balance on the account amounting to 100,000,000 Euros with AB "Gazprombank" (ZAO) effective from 16.08.2005 through 17.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

442. Contract for keeping the minimum balance on the account amounting to RR8,000,000,000 with AB "Gazprombank" (ZAO) effective from 15.08.2005 through 16.08.2005 and bearing an annual interest rate of 1.1 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

443. Contract for keeping the minimum balance on the account amounting to 100,000,000 Euros with AB "Gazprombank" (ZAO) effective from 17.08.2005 through 18.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

444. Contract for keeping the minimum balance on the account amounting to 50,000,000 Euros with AB "Gazprombank" (ZAO) effective from 18.08.2005 through 19.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

445. Contract for keeping the minimum balance on the account amounting to 50,000,000 Euros with AB "Gazprombank" (ZAO) effective from 19.08.2005 through 22.08.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

446. Contract for keeping the minimum balance on the account amounting to £27,500,000 with AB "Gazprombank" (ZAO) effective from 15.08.2005 through 19.08.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

447. Contract for keeping the minimum balance on the account amounting to £28,500,000 with AB "Gazprombank" (ZAO) effective from 19.08.2005 through 22.08.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

448. Contract for keeping the minimum balance on the account amounting to £27,500,000 with AB "Gazprombank" (ZAO) effective from 22.08.2005 through 26.08.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

449. Additional agreement to contract for the term deposit № 1 dated 22.03.2005 due to making amendments providing for the treatment of the contract as a subordinated deposit with AB "Gazprombank" (ZAO). It takes effect from 12.09.2005. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution No. 730 of the Board of Directors dated 13.07.2005.

450. Contract for the foreign currency account (for legal entities that are Russian residents) with AB "Gazprombank" (ZAO). The contract takes effect from 12.09.2005. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

451. Contract for keeping the minimum balance on the account amounting to 20,000,000 Euros with AB "Gazprombank" (ZAO) effective from 05.09.2005 through 06.09.2005 and bearing an annual interest rate of 8.0 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

452. Contract for keeping the minimum balance on the account amounting to 450,000,000 Euros with AB "Gazprombank" (ZAO) effective from 05.09.2005 through 06.09.2005 and bearing an annual interest rate of 1.9 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

525. Contract for keeping the minimum balance on the account amounting to RR2,000,000,000 with AB "Gazprombank" (ZAO) effective from 30.09.2005 through 03.10.2005 and bearing an annual interest rate of 1.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

526. Contract for keeping the minimum balance on the account amounting to RR10,700,000,000 with AB "Gazprombank" (ZAO) effective from 29.09.2005 through 30.09.2005 and bearing an annual interest rate of 1.0 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

527. Commission contract for the export sales of natural gas purchased from OAO "Lukoil" from the Nakhodkinskoye field in the Bolshekhetskaya depression with OOO "Mezhtregiongaz". The fee is 1.17 %. The contract is effective from 01.10.2005 through 31.12.2005. The interested person is K.G. Seleznev, member of OAO "Gazprom" collegial executive body. Approved by the Resolution No. 775 of the Board of Directors dated 09.11.2005.

528. Contract for the security for the bank guarantee repayment by OOO "Urengoigazprom" with AB "Gazprombank" (ZAO). The liability is limited to RR520,607,047.56. The contract is effective from 26.10.2005 through 06.08.2006. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution No. 753 of the Board of Directors dated 29.08.2005.

529. Contract for keeping the minimum balance on the account amounting to RR6,100,000,000 with AB "Gazprombank" (ZAO) effective from 28.09.2005 through 29.09.2005 and bearing an annual interest rate of 0.75 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

530. Contract for keeping the minimum balance on the account amounting to RR9,600,000,000 with AB "Gazprombank" (ZAO) effective from 03.10.2005 through 04.10.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

531. Contract for keeping the minimum balance on the account amounting to RR11,000,000,000 with AB "Gazprombank" (ZAO) effective from 04.10.2005 through 05.10.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

532. Contract for keeping the minimum balance on the account amounting to RR12,000,000,000 with AB "Gazprombank" (ZAO) effective from 05.10.2005 through 06.10.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

533. Contract for keeping the minimum balance on the account amounting to RR7,300,000,000 with AB "Gazprombank" (ZAO) effective from 06.10.2005 through 07.10.2005 and bearing an annual interest rate of 0.3 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

534. Contract for keeping the minimum balance on the account amounting to RR7,500,000,000 with AB "Gazprombank" (ZAO) effective from 07.10.2005 through 10.10.2005 and bearing an annual interest rate of 0.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

535. Contract for keeping the minimum balance on the account amounting to US\$100,000,000 with AB "Gazprombank" (ZAO) effective from 27.09.2005 through 28.09.2005 and bearing an annual interest rate of 2.85 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

536. Contract for keeping the minimum balance on the account amounting to US\$130,000,000 with AB "Gazprombank" (ZAO) effective from 28.09.2005 through 29.09.2005 and bearing an annual interest rate of 2.85 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

537. Contract for keeping the minimum balance on the account amounting to US\$200,000,000 with AB "Gazprombank" (ZAO) effective from 03.10.2005 through 04.10.2005 and bearing an annual interest rate of 2.85 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

538. Contract for keeping the minimum balance on the account amounting to £29,500,000 with AB "Gazprombank" (ZAO) effective from 03.10.2005 through 07.10.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

539. Contract for keeping the minimum balance on the account amounting to £30,500,000 with AB "Gazprombank" (ZAO) effective from 07.10.2005 through 10.10.2005 and bearing an annual interest rate of 2.5 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

540. Contract for keeping the minimum balance on the account amounting to US\$250,000,000 with AB "Gazprombank" (ZAO) effective from 04.10.2005 through 05.10.2005 and bearing an annual interest rate of 2.85 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

541. Contract for keeping the minimum balance on the account amounting to US\$400,000,000 with AB "Gazprombank" (ZAO) effective from 06.10.2005 through 07.10.2005 and bearing an annual interest rate of 2.85 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

542. Contract for keeping the minimum balance on the account amounting to US\$370,000,000 with AB "Gazprombank" (ZAO) effective from 05.10.2005 through 06.10.2005 and bearing an annual interest rate of 2.85 % of the minimum balance. The interested persons are the following members of OAO "Gazprom" executive bodies: A.B. Miller, A.G. Ananenko, M.L. Sereda, E.A. Vasilieva, A.V. Kruglov, A.I. Medvedev and O.P. Pavlova. Approved by the Resolution of the annual General Shareholders Meeting dated 24.06.2005.

This Annual report is preliminary approved by the resolution of OAO «Gazprom» Board of Directors № 855 dated May 24, 2006

Chairman of the OAO «Gazprom»
Management Committee



Alexei B. Miller

Chief Accountant
of OAO «Gazprom»:



Elena A. Vasilieva