2018 | GAZPROM INVESTOR DAY

GAZPROM: BUSINESS GROWTH, ENHANCING SUPPLY SECURITY

DISCLAIMER

This presentation, including a hard copy of these slides, the information communicated during any delivery of the presentation, both oral and written, and any question and answer session and any document or material distributed at or in connection with the presentation and all information contained therein including any information provided by or obtained from third parties (together, "Presentation") has been prepared by PJSC Gazprom and its consolidated subsidiaries (together, the "Company") solely for the purpose of presenting information about the Company to a number of parties who have expressed an interest in obtaining information about the Company. By attending the presentation, you agree to be bound by the following terms. This Presentation may not be reproduced, retransmitted or further distributed to the press or any other person or published, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of the applicable securities laws. This Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities representing shares in the Company, nor shall it, any part of it or the fact of its Presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision. No reliance may be placed for any purposes whatsoever on the information or opinions contained in this Presentation, or any other material discussed at the presentation or on its completeness, accuracy or fairness. The information in this Presentation should not be treated as giving investment advice. To the extent available, the industry, market and competitive position data contained in this Presentation come from official or third party sources. Care has been taken to ensure that the facts stated in this Presentation are accurate, and that the opinions expressed are fair and reasonable. However, the contents of this Presentation have not been verified by the Company. To the extent third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation. The information contained herein is subject to change without notice. None of the Company or any of its managers or directors are under an obligation to update or keep current the information contained in this Presentation. Accordingly, no representations or warranties of any kind are made by any person as to the accuracy of such statements, estimates or projections, or that any of the events expressed or implied in any such statements, estimates, opinions or projections will actually occur. The Company is not under any obligation, and expressly disclaims any intention, to update or revise any such statements, estimates or projections. No statement in the Presentation is intended as a profit forecast or a profit estimate. Neither the Company, any third party, nor any of their respective directors, officers, partners, employees, agents, affiliates, representatives or advisors, accept any duty or responsibility to you, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), misrepresentation, restitution or otherwise (in each case whether caused by negligence or otherwise) and shall, to the fullest extent permissible by law, not be liable in respect of any loss, damage or expense of whatsoever nature, howsoever caused, whether by any use you may choose to make of the Presentation or any reliance placed upon the Presentation or its contents or which is otherwise consequent upon the provision of the Presentation to you.

This presentation includes "forward-looking statements," which include all statements other than statements of historical facts, including, without limitation, any statements that are preceded by, followed by or include the words "targets," "believes," "expects," "aims," "intends," "will," "may," "anticipates," "would," "plans," "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk. These forward-looking statements speak only as at the date as of which they are made, and neither the Company or any of its respective agents, employees or advisors intends or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. In addition, even if the Company's results of operations, financial condition and liquidity and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this Presentation, those results or developments may not be indicative of results or developments in future periods. The information and opinions contained in this Presentation are provided as at the date of this Presentation and are subject to change without notice. No person is under any obligation to update or keep current the information contained herein.

GAZPROM | PRESENTATION SPEAKERS

ANDREY KRUGLOV
Deputy Chairman
of Management Committee

Finance

ALEXANDER MEDVEDEV
Deputy Chairman
of Management Committee

Export

VSEVOLOD CHEREPANOV
Member of the Management Committee,
Head of Department

Upstream

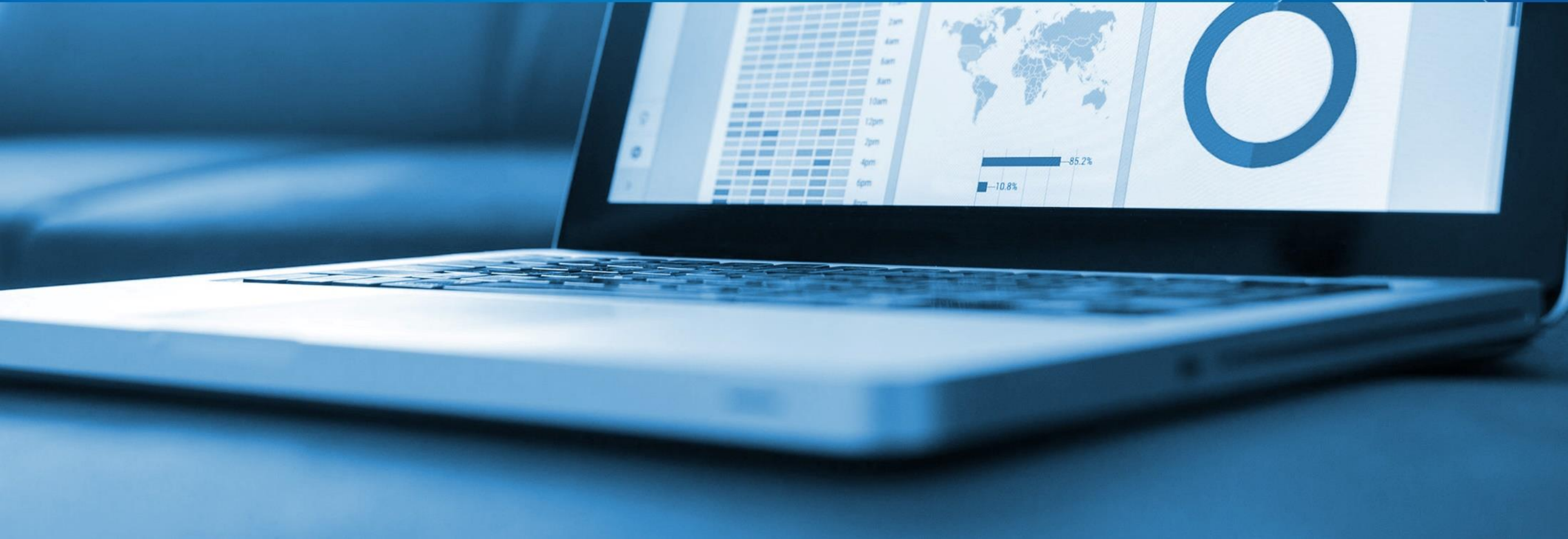
KIRIL POLOUS
Head of Directorate

Strategy

GAZPROM

STRATEGY

KIRIL POLOUS
Head of Directorate



GAZPROM

GAZPROM'S ANNIVERSARY

25
YEARS

Production

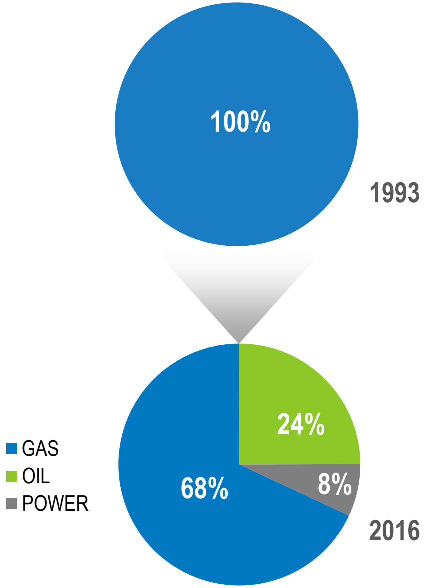
13
tcm of gas

>700
bn t of oil and condensate

Exports[2]

>5
tcm

Revenue structure[1]



[1] According to IFRS standards and taking into account revenue structures of gas, oil and electrical power companies of Gazprom's Group
[2] Including exports to FSU countries

KEY EVENTS AND DEVELOPMENT TRENDS

KEY EVENTS

- Extension of OPEC and Russia’s agreement to cut oil production
- Gradual increase of hydrocarbon prices
- New US, Australian and Russian LNG volumes show up
- US gas production cut in 2016
- Imposition of gas export restrictions mechanism in Australia
- Cancellation of Northern field production cap in Qatar
- Hydrocarbon production growth in Iran after partial lifting of sanctions
- Historic high growth of demand and imports of natural gas in China

TRENDS

- Coal-fired generation stalling in some European countries
- Declining global investments in renewable energy
- “Asian LNG premium”
- LNG “marinization”
- EV rush
- Increased demand for Russian gas in Europe

Gazprom’s long-term position in the global energy market has a great potential due to:

- Rich resource base of conventional fields
- Well-developed gas transportation infrastructure
- Low operating costs
- Availability of long-term gas supply contracts
- Active work on diversifying the range of products, supply routes and markets

KEY EVENTS OF 2017 CREATED AN ADDITIONAL POTENTIAL FOR STRENGTHENING GAZPROM’S STRATEGIC ADVANTAGES

2035 GLOBAL ENERGY OUTLOOK

+20% World energy consumption

Asia-Pacific region

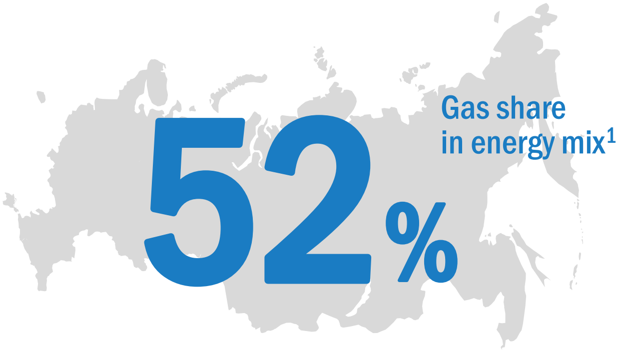
+2p.p. Gas share in energy mix

1.5% CAGR

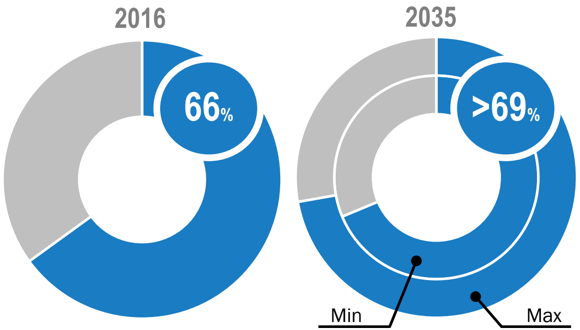
#1 New leader in terms of gas consumption

Asia-Pacific region

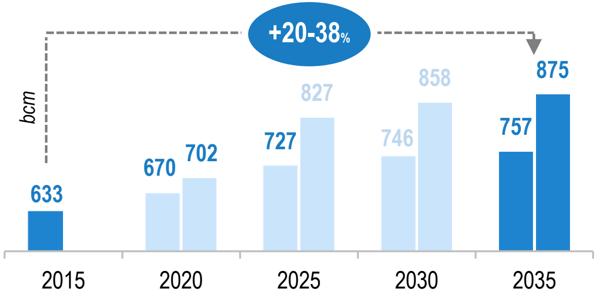
2035 RUSSIAN GAS INDUSTRY OUTLOOK



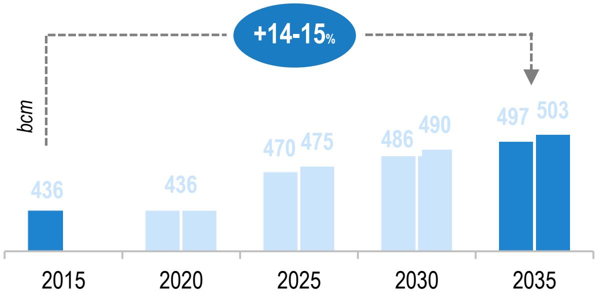
Gazprom share in production



Gas production in Russia[1]



Gas consumption in Russia[1]



Gazprom holds exclusive rights for gas pipeline exports from Russian

"Existing amount of PJSC Gazprom's functions will be maintained"

DRAFT RUSSIAN ENERGY STRATEGY UNTIL 2035

[1]*Source: Draft Russian Energy Strategy until 2035 (as of March 2017), Energy Research Institute of Russian Academy of Sciences.*

ARE ANY SUBSTANTIAL CHANGES NEEDED FOR THE RUSSIAN GAS INDUSTRY?

VS.

PROS

- Mass media pressure
- “Bright future” of the industry in theory

CONS

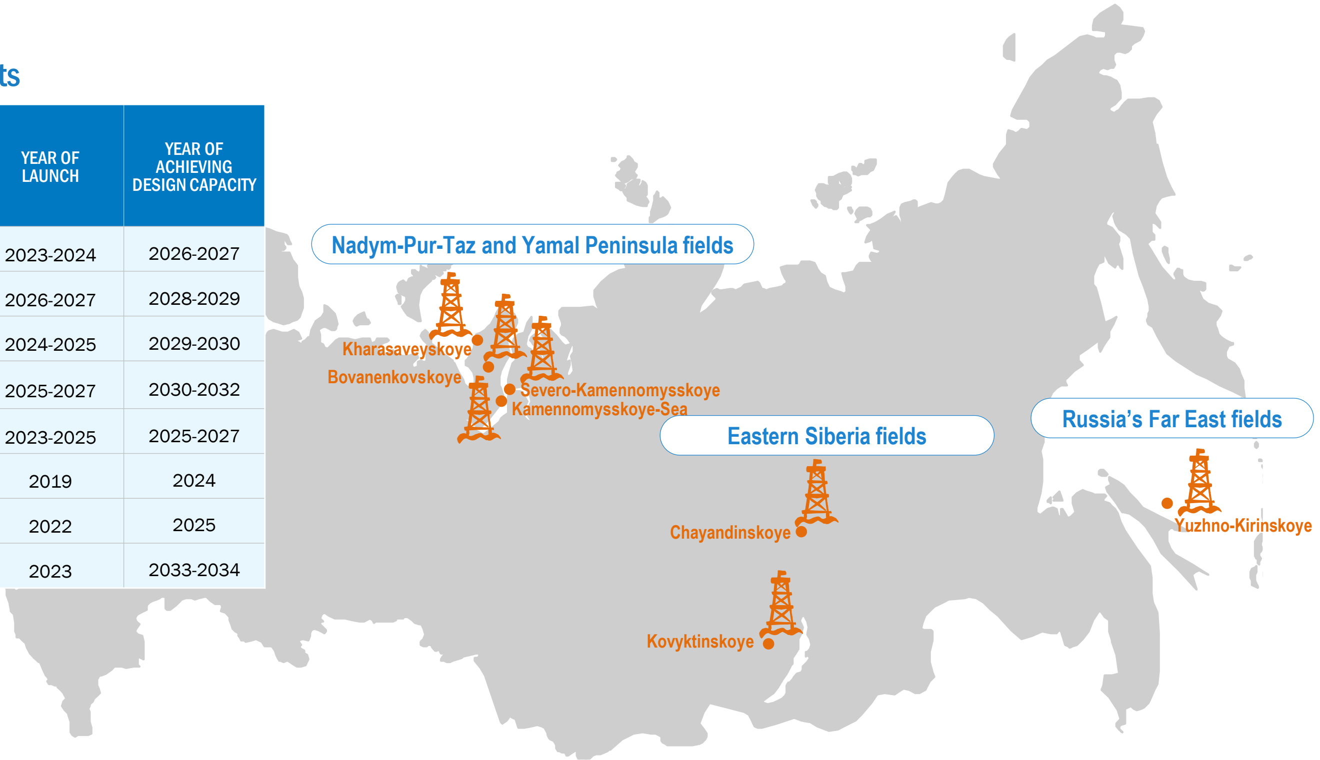
- Affordable domestic prices
- High level of gasification in Russia
- Considerable share of Russian gas in the European market
- Historic high levels of Russian exports to Europe
- Ability to maximize export revenue and government payouts avoiding external competition
- Huge spare production and transportation capacities for quick domestic and external market response
- Favorable conditions for domestic competition and independent gas producers’ output growth

The answer is obvious:
“NO, not in the foreseeable future”

GAZPROM'S PRODUCTION STRATEGY

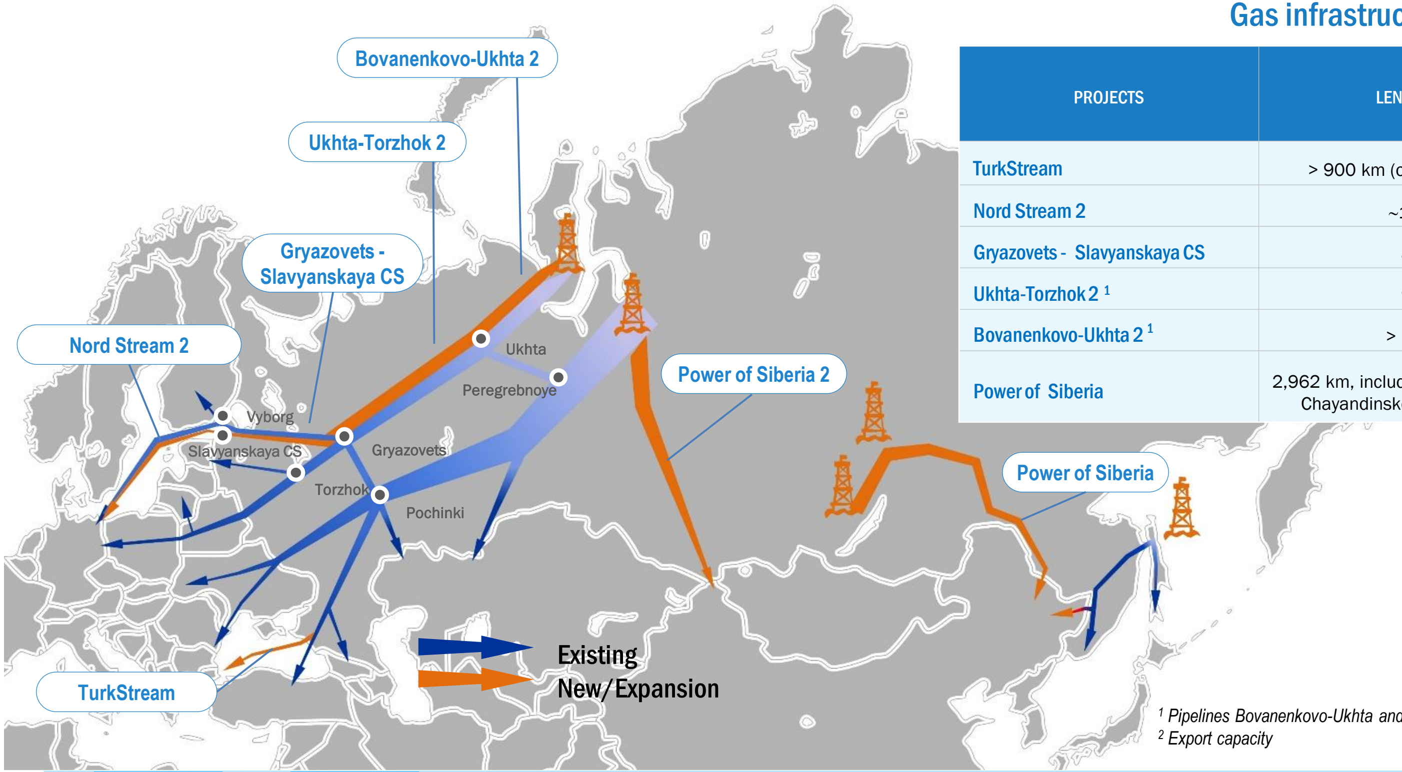
New upstream gas projects

FIELDS	ANNUAL DESIGN CAPACITY, bcm	YEAR OF LAUNCH	YEAR OF ACHIEVING DESIGN CAPACITY
Kharasaveiskoye (cenoman-aptian)	32	2023-2024	2026-2027
Kharasaveiskoye (neocomian-jurassic)	18	2026-2027	2028-2029
Bovanenkovskoye (neocomian-jurassic)	25	2024-2025	2029-2030
Severo-Kamennomysskoye	14.5	2025-2027	2030-2032
Kamennomysskoye-sea	15.1	2023-2025	2025-2027
Chayandinskoye	25	2019	2024
Kovyktinskoye	25	2022	2025
Yuzhno-Kirinskoye	21	2023	2033-2034



GAZPROM

GAZPROM'S TRANSPORTATION STRATEGY



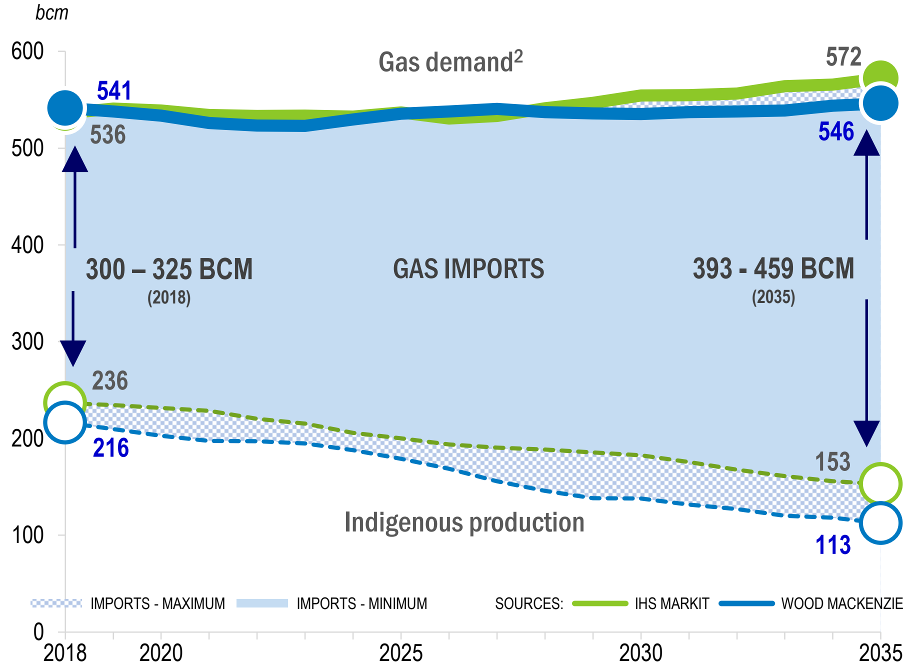
Gas infrastructure development

PROJECTS	LENGTH, km	ANNUAL CAPACITY, bcm	YEAR OF LAUNCH
TurkStream	> 900 km (offshore section)	31.5	2019
Nord Stream 2	~1,200	55	2019
Gryazovets - Slavyanskaya CS	870	~80	2019
Ukhta-Torzhok 2 [1]	970	45	2019
Bovanenkovo-Ukhta 2 [1]	> 1,200	57.5	2016
Power of Siberia	2,962 km, including 2,158 km of the Chayandinskoye-China border	38 [2]	2019

[1] *Pipelines Bovanenkovo-Ukhta and Ukhta – Torzhok were launched in 2012*
[2] *Export capacity*

GAZPROM

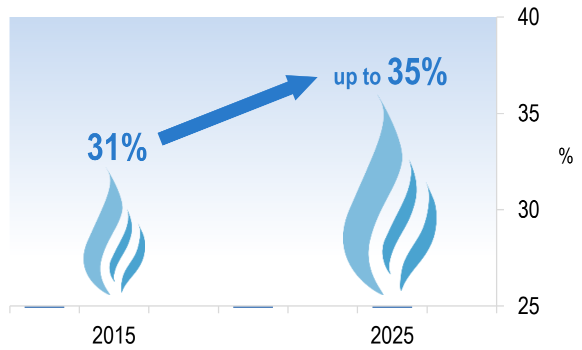
EUROPEAN[1] GAS MARKET HOLDS STRONG LONG-TERM POTENTIAL



Sources: IHS Markit, Wood Mackenzie, Gazprom

- Conventional gas production nearly halves by 2035
- "Shale fail": little or no unconventional gas expected
- Demand prospects are stable with upside potential
- Gas is essential for success of EU's ambitious climate policy
- Gazprom will keep further strengthening its market position in Europe in line with previously set targets

GAZPROM'S SHARE EVOLUTION IN THE EUROPEAN GAS MARKET

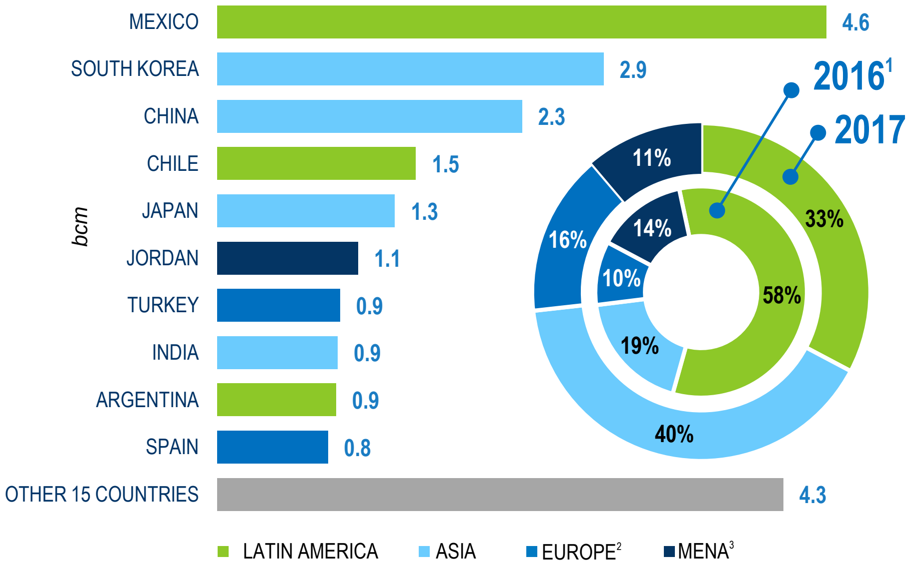


[1] Including Turkey

[2] Including exports (both pipeline & Snøhvit LNG), net of UGS stock changes

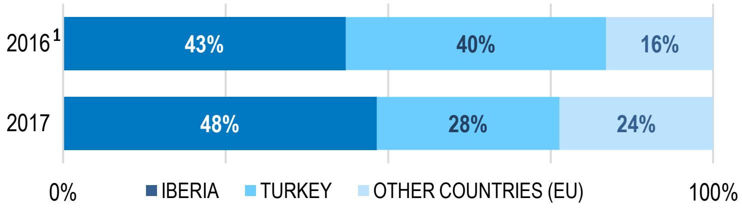
DESPITE THE MEDIA FUSS, U.S. LNG IN EUROPE WAS ALMOST NON-EXISTENT

Top-10 U.S. LNG destination countries in 2016–2017 and total supply by region



Comparison of Gazprom and U.S. LNG supply volumes to the European[2] market (figurative)

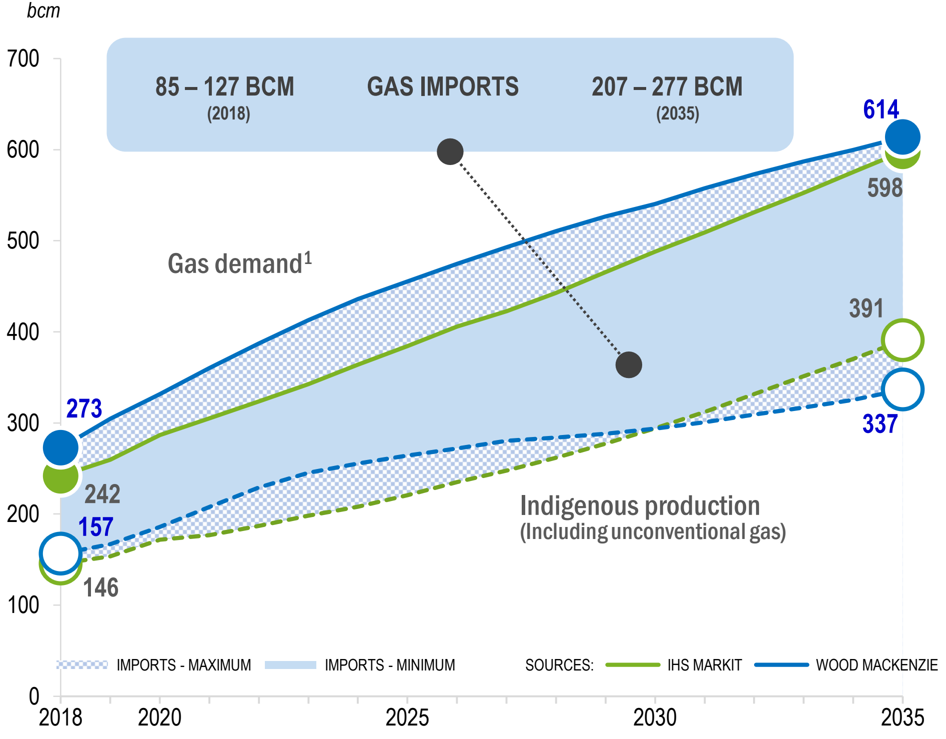
U.S. LNG was mainly supplied to European markets with constrained access to pipeline gas



Sources: IHS Markit, Gazprom estimates

[1] Totals don't sum due to rounding *[2] Including Turkey* *[3] Middle East & North Africa (i.e. Egypt)*

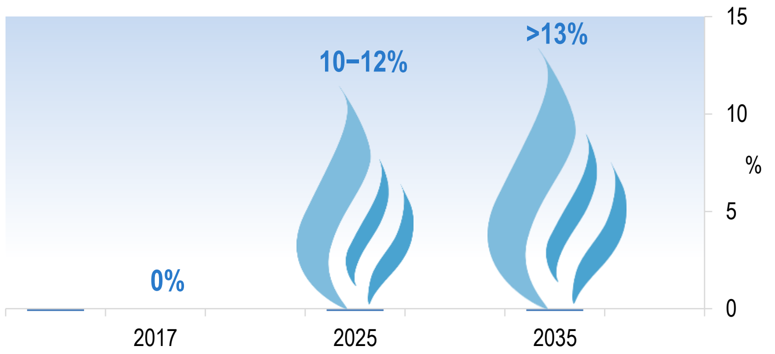
CHINA'S GAS MARKET: TRANSITION FROM BYSTANDER TO MAJOR SUPPLIER



Sources: IHS Markit, Wood Mackenzie

- Indigenous gas production growth is crucially dependent on shale potential, which is yet to be proven countrywide
- Even with shale gas success, demand growth will outstrip it
- In less than a decade Gazprom is set to become a major player in China holding the largest gas supply contract ever
- Further growth expected as new pipeline projects advance

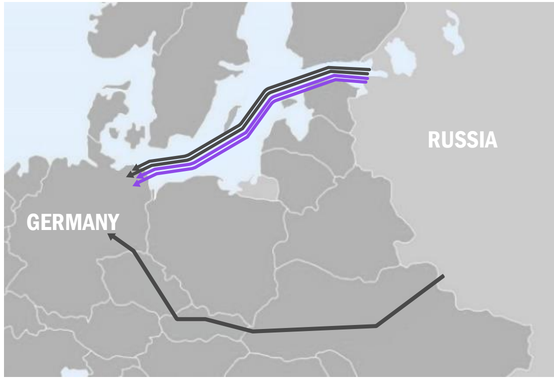
GAZPROM'S PIPELINE GAS SHARE REVOLUTION IN THE CHINESE GAS MARKET



[1] Net of UGS stock changes

COMMISSIONING OF LARGE EXPORT-ORIENTED PROJECTS BY 2020

Nord Stream 2



EXISTING PIPELINE   PERMITTING STAGE

TurkStream

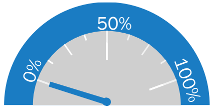
EXISTING PIPELINE   PIPELINE UNDER CONSTRUCTION

Power of Siberia

PIPELINE UNDER CONSTRUCTION

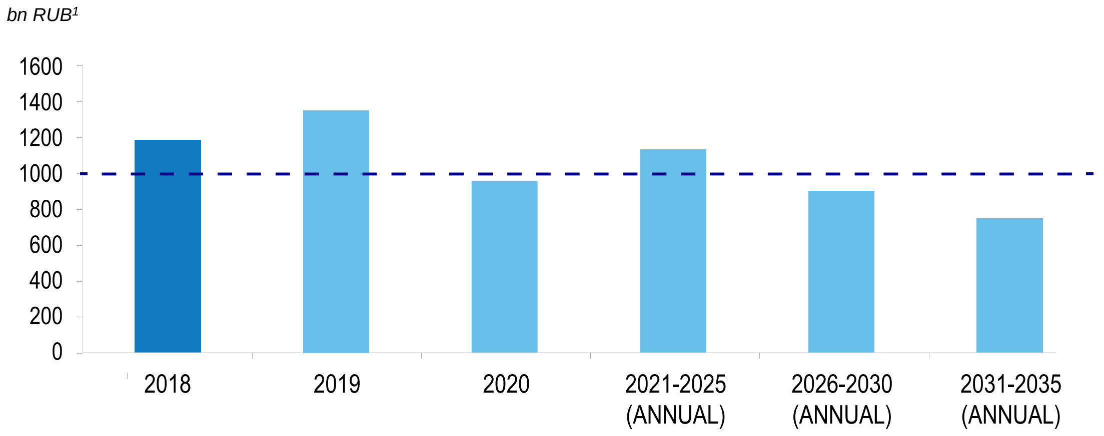
	Nord Stream 2	TurkStream	Power of Siberia
Export capacity, bcm	55	31.5	38
Length, km	>1,200	>900	2,158[1]
Construction start-up	2018	2017 (Q2)	2014
Commissioning date	2019	2019	2019

Built as of 01.02.2018



[1] *From Chayandinskoe field to the Russia-China border*

GAS BUSINESS INVESTMENT OUTLOOK



Growth YOY to 2016,%	2020	2025	2030	2035
GAS PRODUCTION VOLUMES	+15%	+27%	+31%	+35%
EXPORT VOLUMES OF PIPELINE GAS AND LNG (EXCLUDING FSU)	+9%	+34%	+35%	+35%

Average annual investments up to 2035 will be capped at RUB 1 tn

That includes maintenance projects, construction in progress (i.e. Chayanda, Kovykta, Power of Siberia, Nord Stream 2, TurkStream, Amur GPP etc.) and projects with no FID taken yet (Baltic LNG, Sakhalin 2 expansion etc.)

[1] *In real terms 2017, incl. VAT*

GAZPROM

UPSTREAM

VSEVOLOD CHEREPANOV
Member of the Management Committee,
Head of Department

GAZPROM'S RESOURCE BASE

GAZPROM IS A GLOBAL LEADER BY HYDROCARBON RESERVES AMONG PUBLIC COMPANIES

Gazprom: proved and probable reserves, 31.12.2016

17% of global gas reserves

Proved and probable reserves:

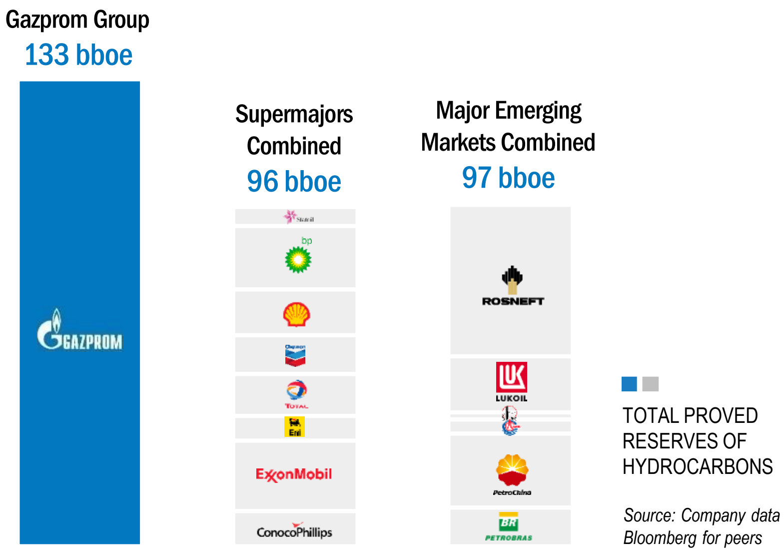
23.9 bcm / 155 bboe of gas

2.4 bn t / 18 bboe of oil & condensate

Natural gas accounts for

89% of total hydrocarbon reserves

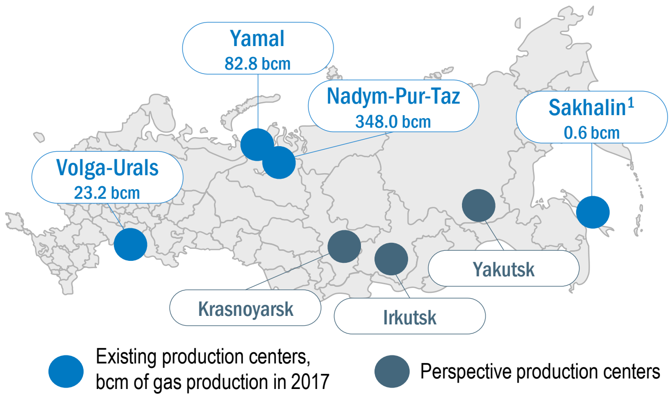
Gazprom vs global majors: proved reserves, 31.12.2016



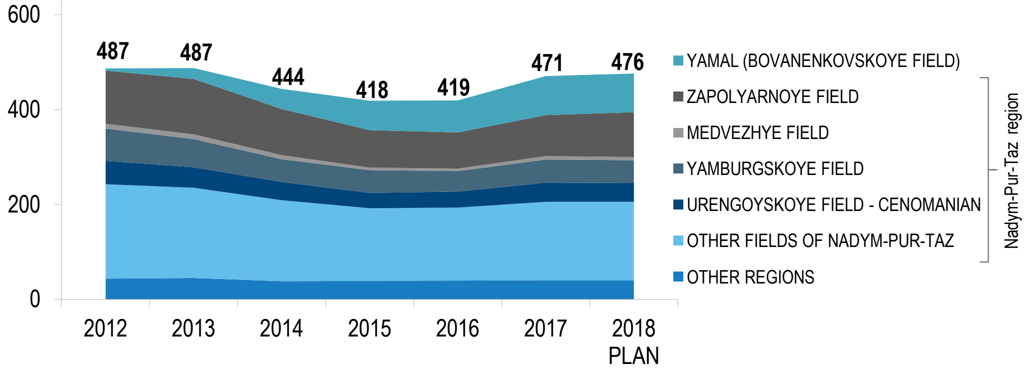
Source: Company data for Gazprom, Bloomberg for peers

PRODUCTION STRATEGY

Key gas production centers



Gas production by fields[2], bcm

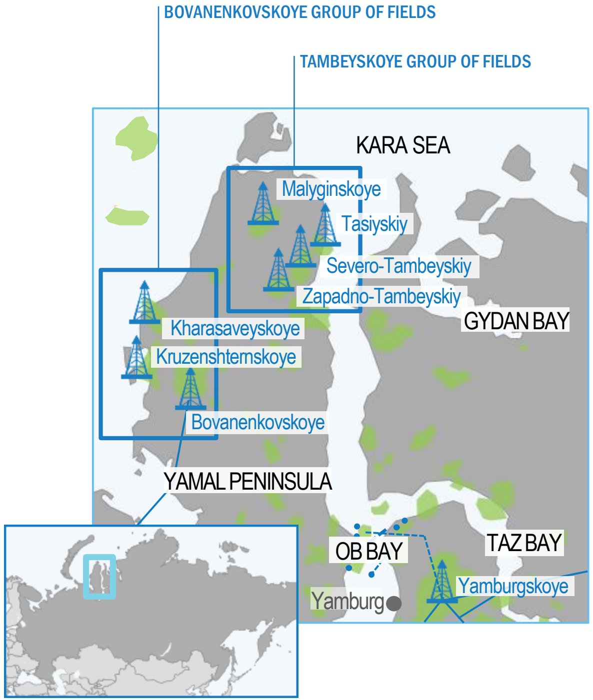


- Unique parameters of major fields located in West Siberia and Russia’s Far East ensure Gazprom’s competitive edge amid a period of low prices for hydrocarbons
- Comprehensive activities aimed at maintaining current production levels at the company’s major fields coupled with bringing new fields into development
- Cost optimization for projects under implementation

[1] *Does not include Sakhalin Energy (Sakhalin-2 project)*
[2] *Excl. share in production of companies, investments in which are classified as joint operations*

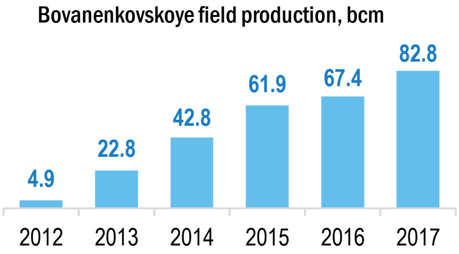
GAZPROM

YAMAL PRODUCTION CENTER DEVELOPMENT



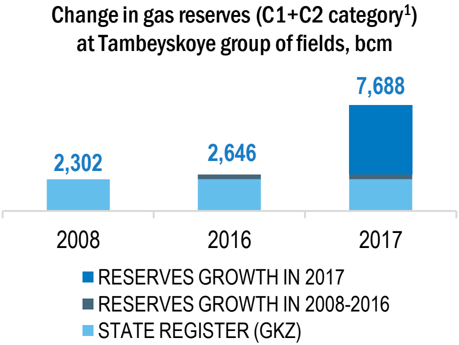
Bovanenkovskoye group of fields

	Natural gas	Gas condensate
Overall reserves[1]	7.5 tcm	149 mt
Annual production	220 bcm	4 mt



Tambeyskoye group of fields

	Natural gas	Gas condensate
Overall reserves[1]	7.7 tcm	599 mt

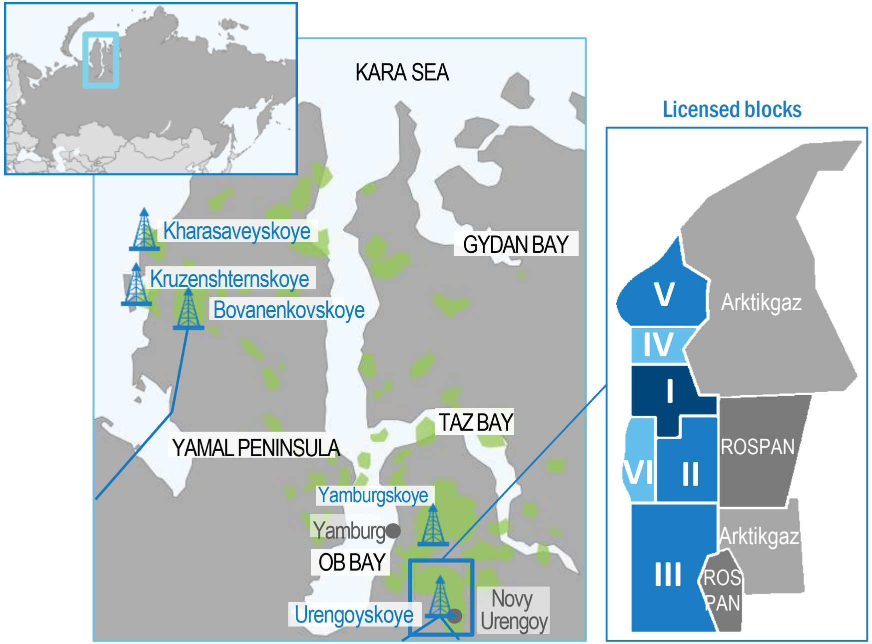


[1]*Reserves as of January 1, 2018, calculation is based on the Russian reserves classification system*

GAZPROM

EFFICIENT PRODUCTION AT DEVELOPED FIELDS

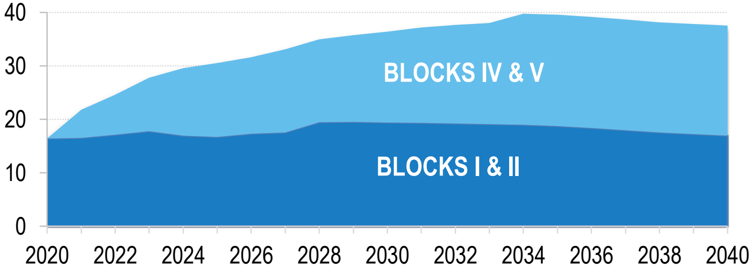
ACHIMOV DEPOSITS OF URENGOYSKOYE FIELD



Licenses for blocks I–IV of Achimov deposits are owned by Gazprom:

- Block I is developed by Achimgaz, a service joint venture between Gazprom (50%) and Wintershall (50%)
- Block II is developed by Gazprom
- Blocks IV and V are to be developed by Achim Development, a service company owned by Gazprom (74.99%) and Wintershall (25.01%), starting 2020

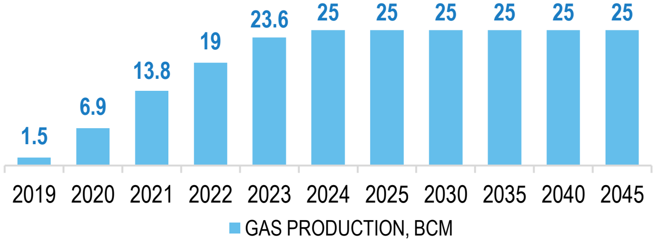
Forecasted production at Achimov deposits, bcm



NEW GAS PRODUCTION CENTERS

KEY DESTINATION – SUPPLY TO THE POWER OF SIBERIA GAS TRUNK PIPELINE

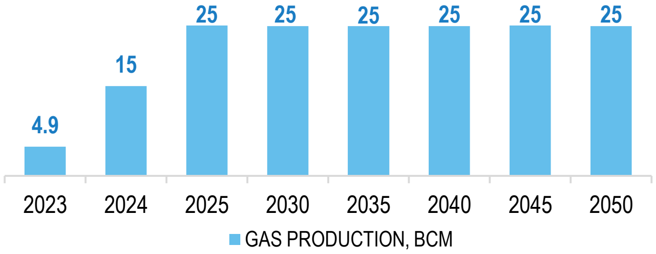
Chayandinskoye gas, condensate and oil field



Reserves[1]

1.4 tcm of gas
76.7 mn t of oil and gas condensate
7.4 bcm of helium

Kovyktinskoe gas and condensate field



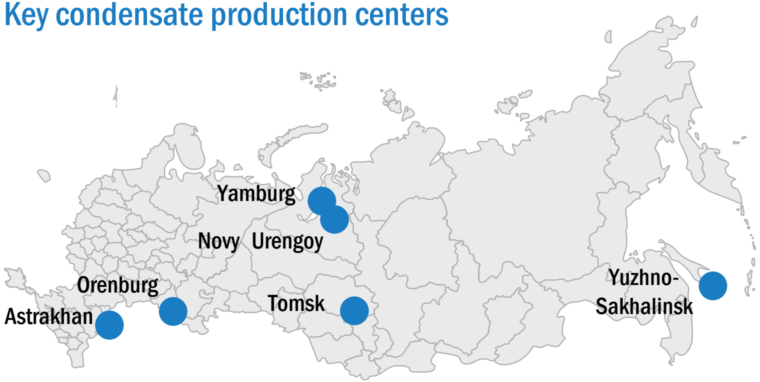
Reserves[1]

2.7 tcm of gas
90.6 mn t of gas condensate
7.7 bcm of helium

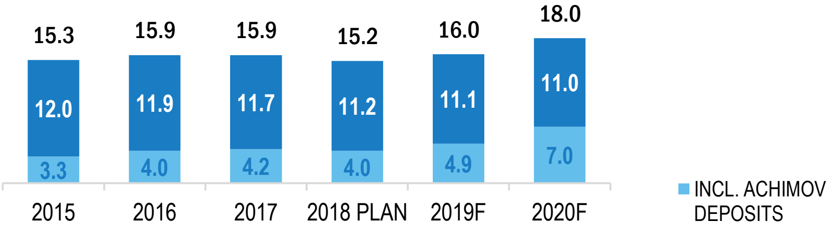
[1] Reserves calculation is based on the Russian reserves classification system

GAS CONDENSATE – PREMIUM PRODUCT

Key condensate production centers



Gas condensate production, mt



- Compared to oil, condensate is a premium product thanks to a low level of heavy impurities
- Diversification of the company's revenue sources via increased volumes of condensate sales

TECHNOLOGIES FOR MAINTAINING GAS PRODUCTION AT CONVENTIONAL FIELDS

Modular compressor unit

Modular compressor unit allows to produce natural gas at wellhead pressures of up to 0.1 MPa

Hydraulic fracturing

Hydraulic fracturing is one of the most efficient ways to stimulate hydrocarbon inflows, improving oil and gas recovery at the final stage of development

Sidetracking

Sidetracking allows to extend operation of wells that were previously stimulated using various methods to improve the flow

IMPORT SUBSTITUTION AT GAZPROM

PURPOSES OF IMPORT SUBSTITUTION

Cutting costs, increasing economic efficiency

Mitigating risks related to:

- Technology
- Foreign exchange
- Sanctions

Increasing operational efficiency

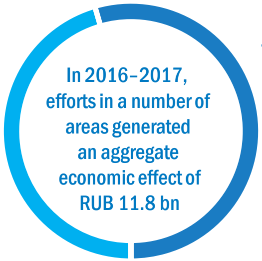
Import substitution mechanisms:

- R&D by Gazprom
- R&D by manufacturers
- Technology licensing and acquisition
- Engaging in equipment production under long-term agreements with manufacturers

State aid:

- Subsidized R&D
- Subsidized lending
- Special investment contracts, etc.

IMPORT SUBSTITUTION EFFICIENCY



Examples of efficient Import substitution in 2016–2017

- Engaging in repairs of imported gas compressor unit engines
- Engaging in production of highly corrosion-resistant underground equipment able to withstand pressures of up to 70 mpa
- Engaging in production of certain types of ball valves (pn = 2.0–10.0 mpa; DN = 50–700 mm)
- Engaging in production of silica gels to be used for ensuring safe underwater transportation of gas

RESULTS ACHIEVED

Gas production

100% share of domestically produced equipment and materials

Gas transportation and distribution

PROSPECTIVE PROJECTS

Natural gas Liquefaction

Scheduled for 2021–2025

Underwater hydrocarbon production

GAZPROM

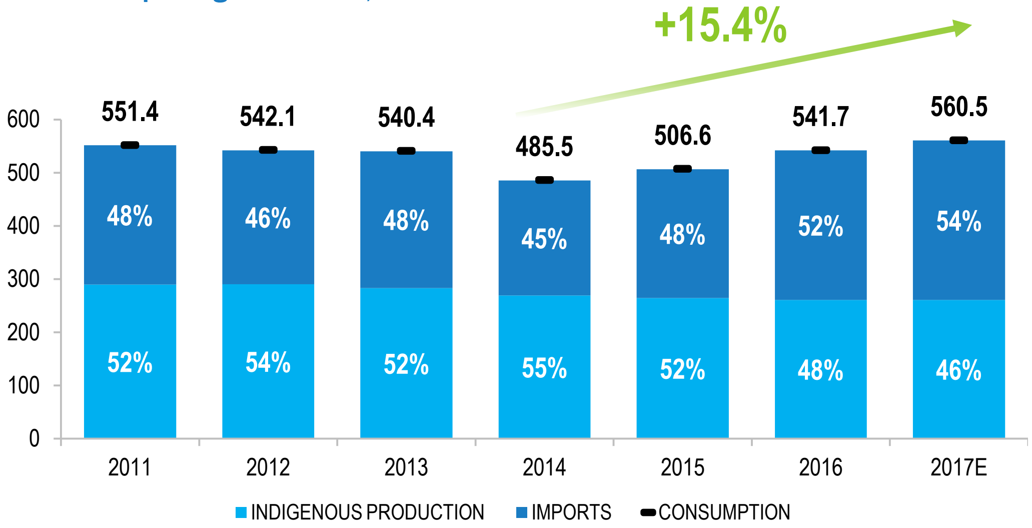
EXPORT

ALEXANDER MEDVEDEV
Deputy Chairman of Management Committee

GAZPROM

GROWTH VECTOR: EUROPEAN NATURAL GAS DEMAND RECOVERY

European gas balance, bcm[1]



Source: IEA, Eurostat, National Statistics, IHS Markit

[1] Hereinafter except as otherwise noted: European countries with Turkey (excluding CIS and Baltics)

GCV = 8,850 kcal/cm, t = 20°C

Gas demand recovered above 2011 level due to:

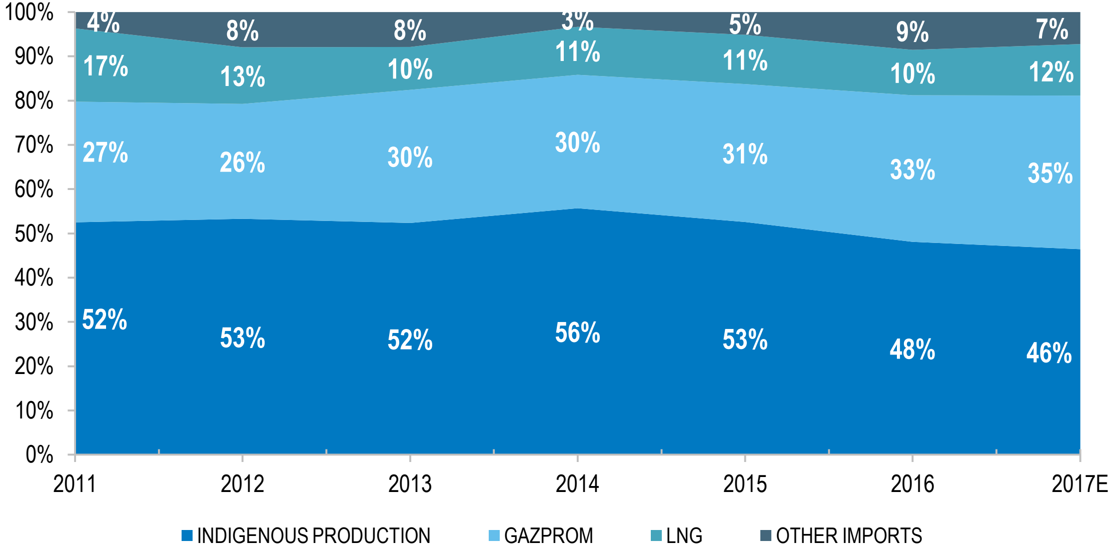
- Broader use of gas in power generation (+6.2% YOY)
- Drop in demand for coal
- Economic growth in leading European gas markets

Growing demand and declining indigenous production over the last four years led to increased import requirements

Gas prices in Europe rebounded as a result

GAZPROM INCREASES ITS SHARE IN THE LONG TERM

European gas balance



Source: PJSC Gazprom, Eurostat, National Statistics, IEA, IHS Markit

Gazprom's share in European consumption was up to 34.7% in 2017 vs. 33.1% in 2016 and 27.3% in 2011

Pipeline gas is the main source meeting the growing demand for imported gas

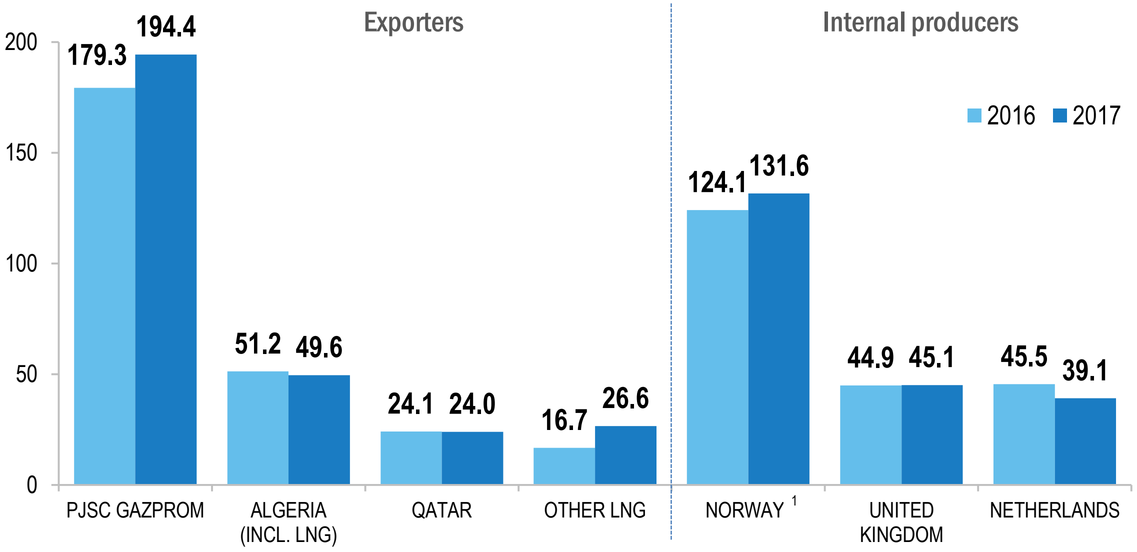
While modestly increasing in 2017, LNG supplies to Europe still remain significantly below the 2011 record level

Gazprom met two-thirds of the incremental demand in 2017 and proved its ability to fill in any additional supply/demand gap

Gazprom average export price increased by 17.8% yoy, up to $197/mcm

MAJOR SUPPLIERS TO EUROPEAN MARKETS

Deliveries by Europe's major exporters and producers, bcm



[1] *Including domestic consumption, pipeline and LNG deliveries from Norway to the European market, but not LNG to Asia and America*

Source: PJSC Gazprom, Eurostat, National Statistics, IEA

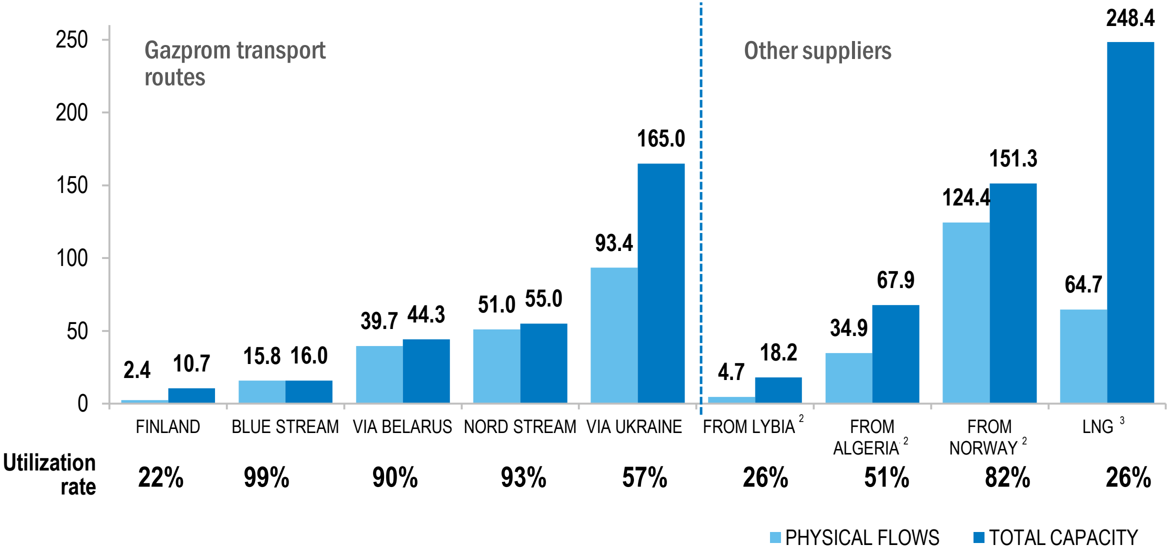
In 2017, Gazprom had another year of record high sales on the back of sluggish deliveries by other suppliers except for Norway

The Netherlands inched further on the path of becoming a net importer

On 19 Dec 2017, Gazprom set an absolute record in terms of daily export deliveries at 640 mcm/d, demonstrating its robust ability of being a swing supplier at a time of demand spikes

GAZPROM'S EXPORT ROUTES

Capacity utilization of main routes for gas supplies to Europe in 2017, bcm[1]



[1] Physical flow volumes, including fuel gas, UGS injection, gas for Moldova transited through Ukraine, gas for Lithuania transited through Belarus

[2] Pipeline exports

[3] Including LNG trading between European countries and capacity of FSRUs, excluding small-scale LNG supplies

Source: ENTSOG, Bloomberg, IHS Markit

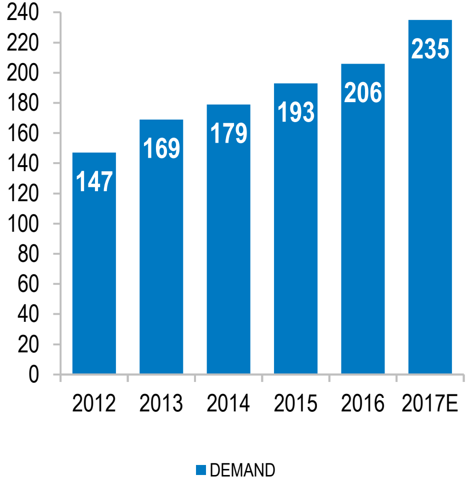
Utilization rates of Gazprom transport routes reached their maximum level in 2017, which requires capacity extension for the pipelines running to Europe

Utilization rate of the competing routes was below capacity or even declined (i.e. Libya, Algeria)

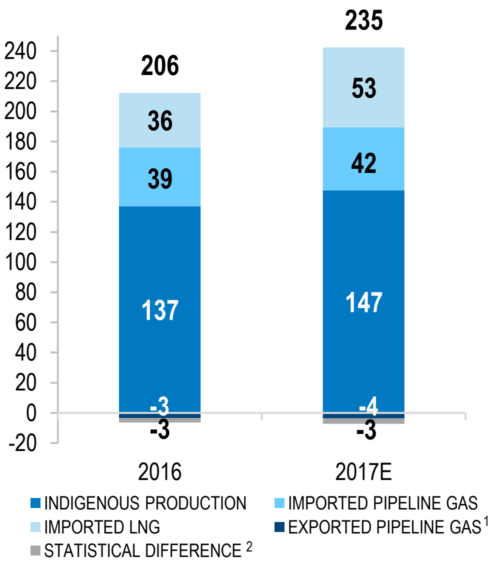
Utilization rate of LNG terminals in Europe stood at 26% of their capacity in 2017

GROWTH VECTOR: GAS DEMAND IN CHINA IS GROWING FASTER THAN IN OTHER MARKETS

Gas demand in China in 2012-2017, bcm



Gas supply in China, bcm



China is the main driver of demand growth in Asia:

- Gas demand: +14% YOY
- LNG imports: +47% YOY
- Pipeline imports: +8% YOY
- Total imports: +27% YOY

In 2017 Chinese imports surged and China became the second largest net importer of natural gas in the world.

China could take over Japan as the world's largest natural gas importer in coming years.

[1] *Pipeline exports in Macao and Hong Kong*

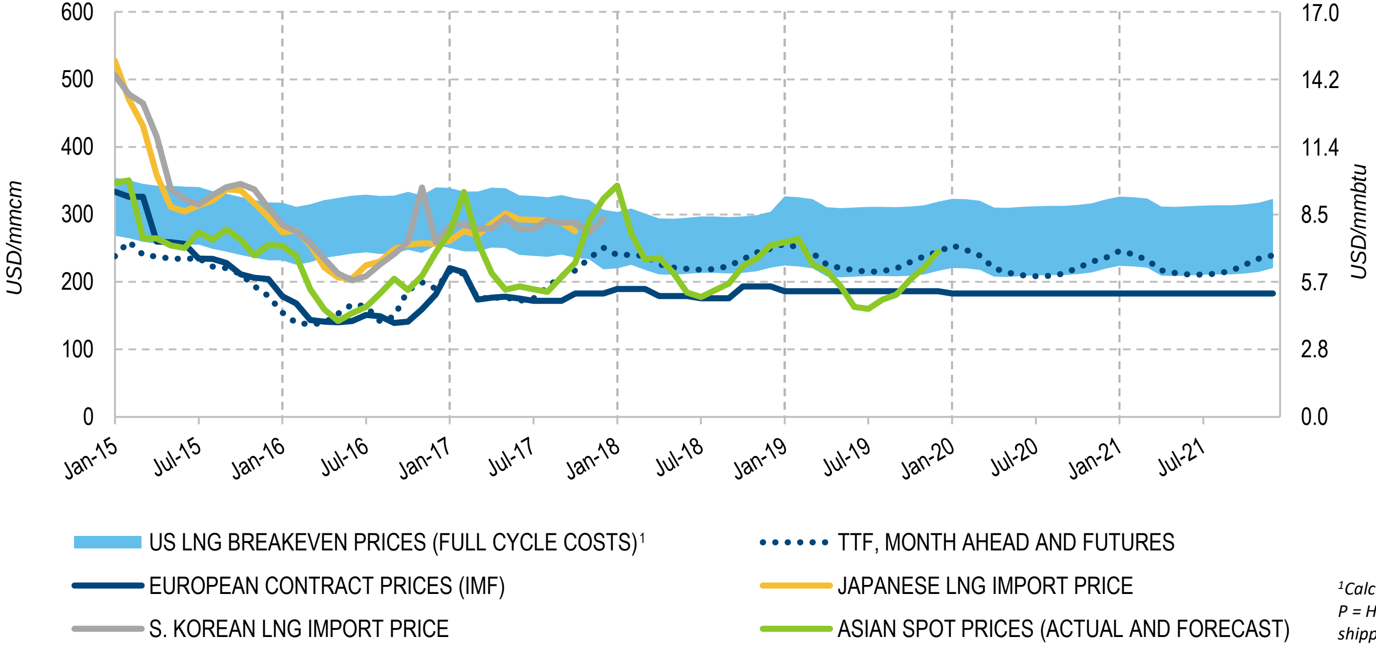
[2] *The statistical difference in consumption and gas supply is due to gas in transit, volumes in storage, losses and statistical discrepancies*

Source: IEA; General Administration of Customs, National Bureau of Statistics, National Development and Reform Commission, National Energy Administration, People's Republic of China; CNPC Research Institute of Economics and Technology

GAZPROM

US LNG IS ATTRACTED BY PREMIUM NON-EUROPEAN MARKETS

Economics of LNG supplies from USA



Although European hub prices significantly increased above short-run marginal costs, they are still below full-cycle costs of US LNG

For the off-takers with deliveries to Europe, it is a loss making exercise

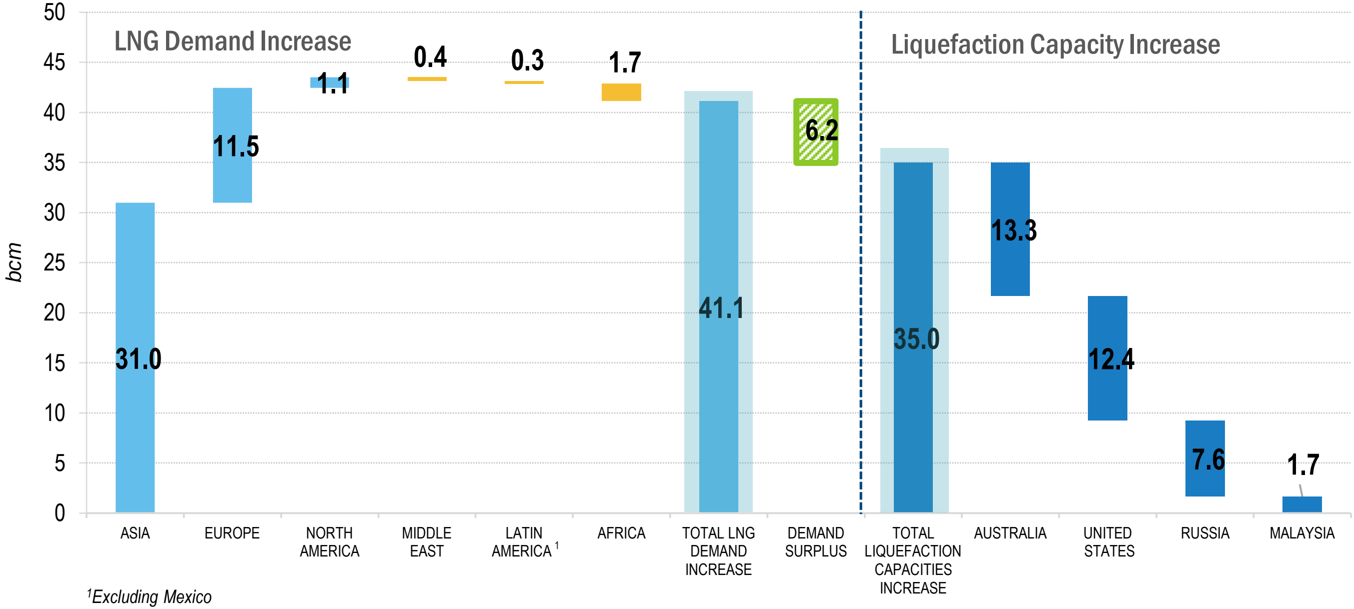
European market is not a first choice for LNG from the USA

[1] *Calculated on the basis of Henry Hub Futures prices, P = HH * 115% + X, where X – costs of liquefaction, shipping to Europe, regasification*

Source: IMF, Korea Customs Service, Bloomberg, IHS Markit

LNG DEMAND GROWTH IN 2017 WAS SLIGHTLY HIGHER THAN LIQUEFACTION CAPACITY INCREASE

Incremental liquefaction capacities and demand in 2017, YOY, bcm



[1]Excluding Mexico

Source: IHS Markit

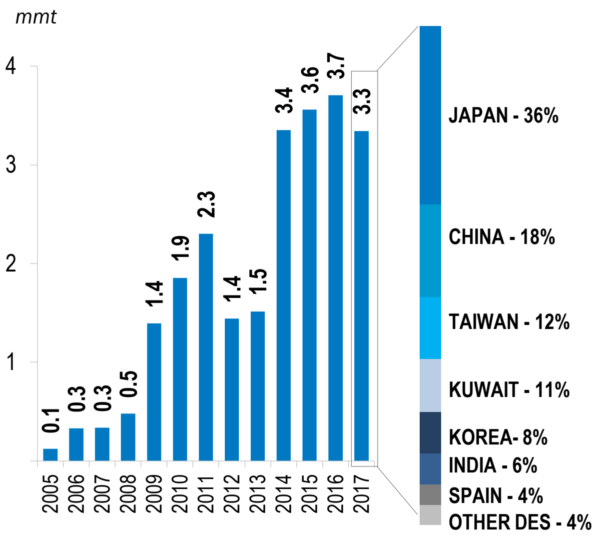
In 2017, demand for LNG caught up with liquefaction capacities expansion

Over 70% of total LNG demand growth in the world came from Asia, mainly from China and South Korea.

Higher spot prices on the European gas market attracted more LNG in 2017 compared with 2016.

GAZPROM'S LNG BUSINESS

Gazprom's LNG trading in 2005-2017



Gazprom's LNG projects in operation:

Sakhalin 2 (T1,2) – 9.6 mmt/year[1]

- 11.3 mmt[2] of LNG supplied in 2017
- In 2017 Gazprom took delivery of 1.5 mmt[3] of LNG from Sakhalin which was sold to customers in Asia Pacific

Gazprom's LNG projects under development:

Sakhalin 2 T3 – up to 5,4 mmt/year

- In 2015, Gazprom signed MOU with Shell on project implementation
- The project's FEED is currently under development

Baltic LNG - 10 mmt/year

- Signed HOA to set up a Joint Venture with Shell
- Joint Feasibility Study with Shell is currently under development

Gazprom is committed to building a diversified LNG trading portfolio to continue reliable and timely deliveries of LNG to its customers.

In 2017:

- Gazprom delivered 48 cargoes to customers in 9 countries;
- Japan was the biggest importer of LNG from Gazprom's portfolio.

Gazprom LNG portfolio overview:

LT LNG Purchase Agreements

SEIC	PERENCO	YAMAL LNG
1,0 mtpa/20y	1,2 mtpa/8y	2,9 mtpa/20y

Other MT/ST/ Spot Purchases

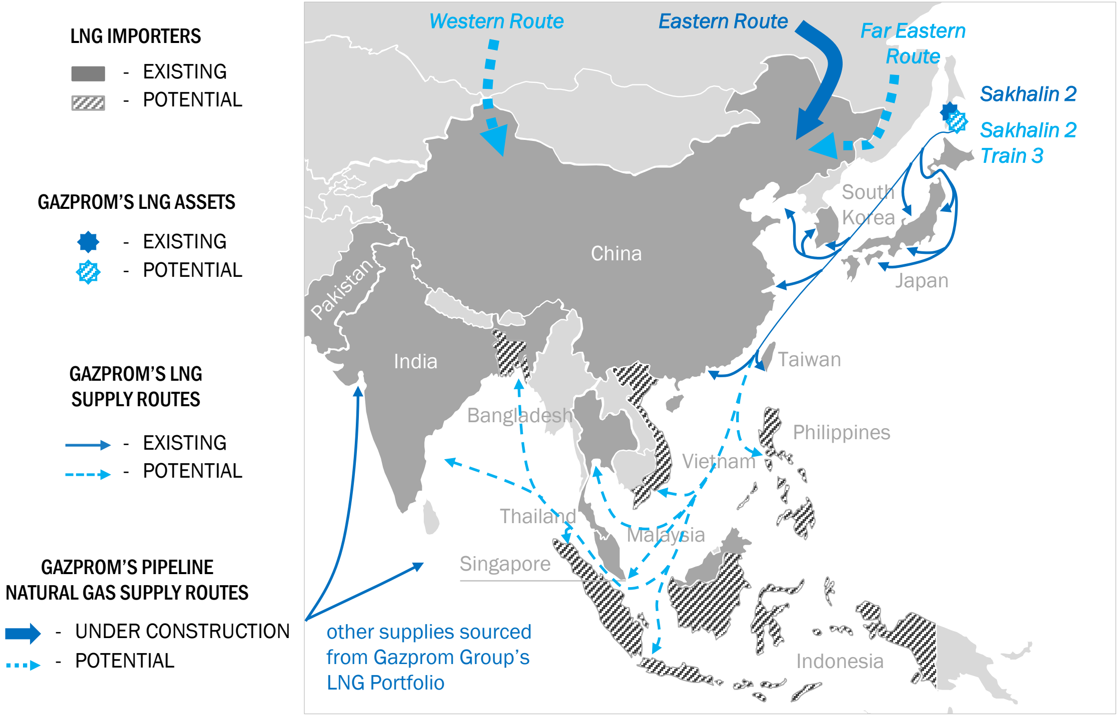
LT LNG Sale Agreements

GAIL
2,5 mtpa/20y

Other MT/ST/ Sales

[1] – Nominal capacity. Gazprom holds 50% + 1 share in SEIC (project operator company). [2] - Calculated as per SEIC reporting methodology. [3] - Under SPA and spot tenders. Calculated as per PJSC Gazprom reporting methodology

GAZPROM'S NATURAL GAS BUSINESS IN ASIA PACIFIC



Gazprom continues to expand its natural gas business in Asia Pacific by developing new projects for both LNG and pipeline gas deliveries.

In 2017 Gazprom and CNPC signed a number of key milestone agreements:

Eastern Route	Jul'17 Additional Agreement to the Eastern Route SPA narrowing the delivery start period to December 2019. Dec'17 The final pack of specialized technical agreements governing the implementation of natural gas supplies via the Eastern Route.
Far Eastern Route	Dec'17 Heads of Agreement for natural gas supplies from Russia to China via the Far Eastern Route.
Underground Natural Gas Storage	May'17 Three contracts for pre-development surveys of prospective underground gas storage sites in China (Gazprom being the contractor).[1]
Natural Gas Power Plants	May'17 Memorandum of Understanding between Gazprom, CNPC, and China Huaneng Group on cooperation in the power sector within China.[2]

[1] - more specifically, Gazprom VNIIGAZ and Gazprom Geotechnology will perform the services under the contracts; [2] - the document reflects the intention of the parties to explore the possibility of implementing joint projects for the construction of thermal power plants.

COMPETITIVE ADVANTAGES

RELIABLE SUPPLIER

COMPETITIVE PRICES

GEOGRAPHICAL DIVERSIFICATION

NEW APPLICATIONS FOR NATURAL GAS

GAZPROM

FINANCE

ANDREY KRUGLOV
Deputy Chairman of Management Committee

FINANCIAL AGENDA

Management focus for 2018 – 2020

Conservative financial policy

- Conservative budgeting
- Budgeted oil prices are lower than current prices
- Cost control
- Risk control

Peak of CAPEX cycle in 2018 – 2019

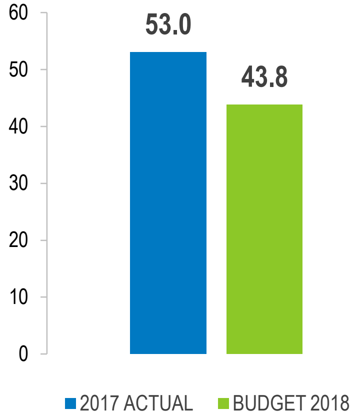
- Launch of key strategic projects in 2019
- Additional profit growth after 2019

Optimization of debt repayment schedule

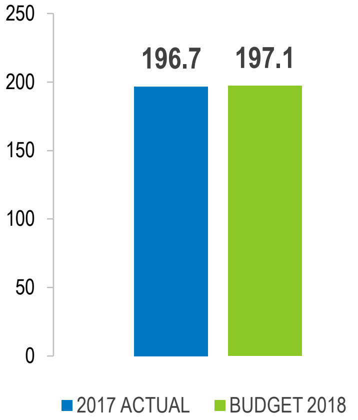
- Wide access to debt capital markets
- Significant liquidity cushion

CONSERVATIVE BUDGETING: KEY 2018 ASSUMPTIONS

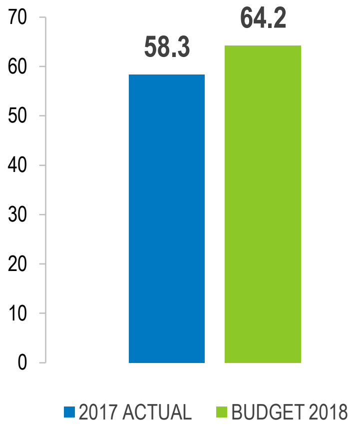
Oil price, USD/BBL



Gas export price, USD/MCM



RUB/USD



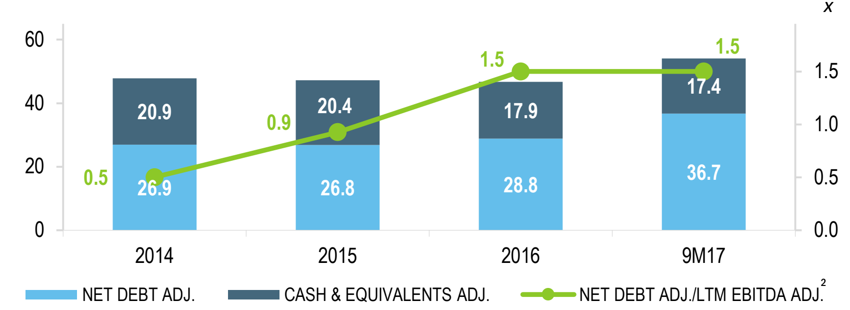
Key priorities of financial policy

- Conservative budget assumptions
- Prioritization of investment projects
- Optimization of OPEX
- Risk control
- Effective debt management
- Balanced dividend policy

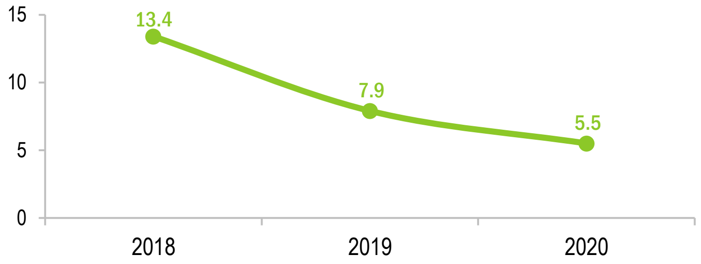
GAZPROM

COMFORTABLE LEVERAGE

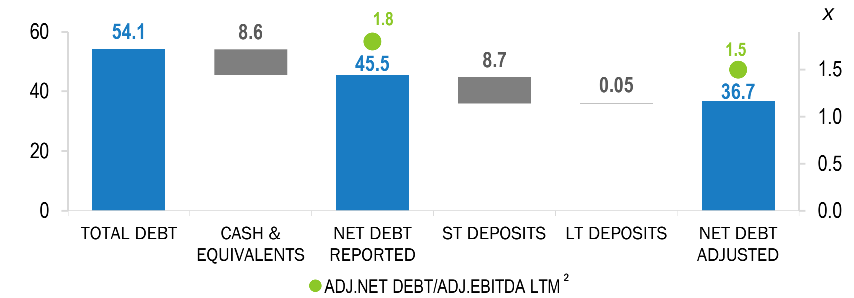
Net Debt adjusted on bank deposits



Debt maturity profile in 2018 – 2020[1]



3Q2017 adjusted Net Debt structure[3]



	GAZPROM'S RATING	RUSSIAN SOVEREIGN RATING
MOODY'S	Baa3 /positive (investment grade)	Ba1 /positive
FITCH	BBB- /positive (investment grade)	BBB- /positive (investment grade)
S&P	BB+ / positive	BB+ /positive
DAGONG	AAA / stable	A / stable

[1] Existing loans, data based on 9M17 IFRS report

[2] Calculated using dollar values of Net debt and EBITDA

[3] According to 9M17 IFRS report

GAZPROM'S BANK DEPOSITS: A $9 BN ISSUE

According to Gazprom 9M2017 IFRS report[1]:

12 OTHER CURRENT AND NON-CURRENT ASSETS

Included within other current assets are prepaid taxes, predominantly VAT in the amount of RUB 208,020 million and RUB 97,869 million and profit tax in the amount of RUB 25,184 million and RUB 12,916 million as of 30 September 2017 and 31 December 2016, respectively. Other current assets include short-term deposits in the amount of RUB 507,162 million and RUB 144,035 million as of 30 September 2017 and 31 December 2016, respectively.

As of 30 September 2017 and 31 December 2016 other non-current assets include:

- intangible assets in the amount of RUB 47,228 million and RUB 46,126 million;
- VAT recoverable related to assets under construction totalling RUB 38,393 million and RUB 35,702 million;
- long-term deposits in the amount of RUB 2,679 million and RUB 42,230 million;
- net pension assets in the amount of RUB nil million and RUB 20,499 million (see Note 20).

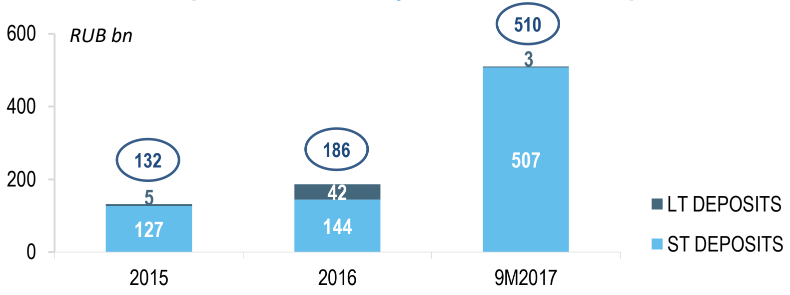
Key features of bank deposits[2]:

- Early withdrawal clause
- Deposit term of over 3 months
- Are NOT included in Cash and cash equivalents

Impact of substantial increase in bank deposits:

- Decrease in Cash and cash equivalents
- Increase in Net Debt and Net Debt/EBITDA
- Reduction in Cash flows from operating activities (changes in working capital)[3]
- Decrease in Free cash flow[3]

In 9M2017 Gazprom substantially increased bank deposits volumes



INCREASE IN LT AND ST BANK DEPOSITS IS AIMED AT IMPROVING THE EFFICIENCY OF LIQUIDITY MANAGEMENT

[1] *Source: Gazprom 9M2017 IFRS report, page 19*
[2] *Reported as a part of Other current assets and Other non-current assets*
[3] *Affected by ST deposits*

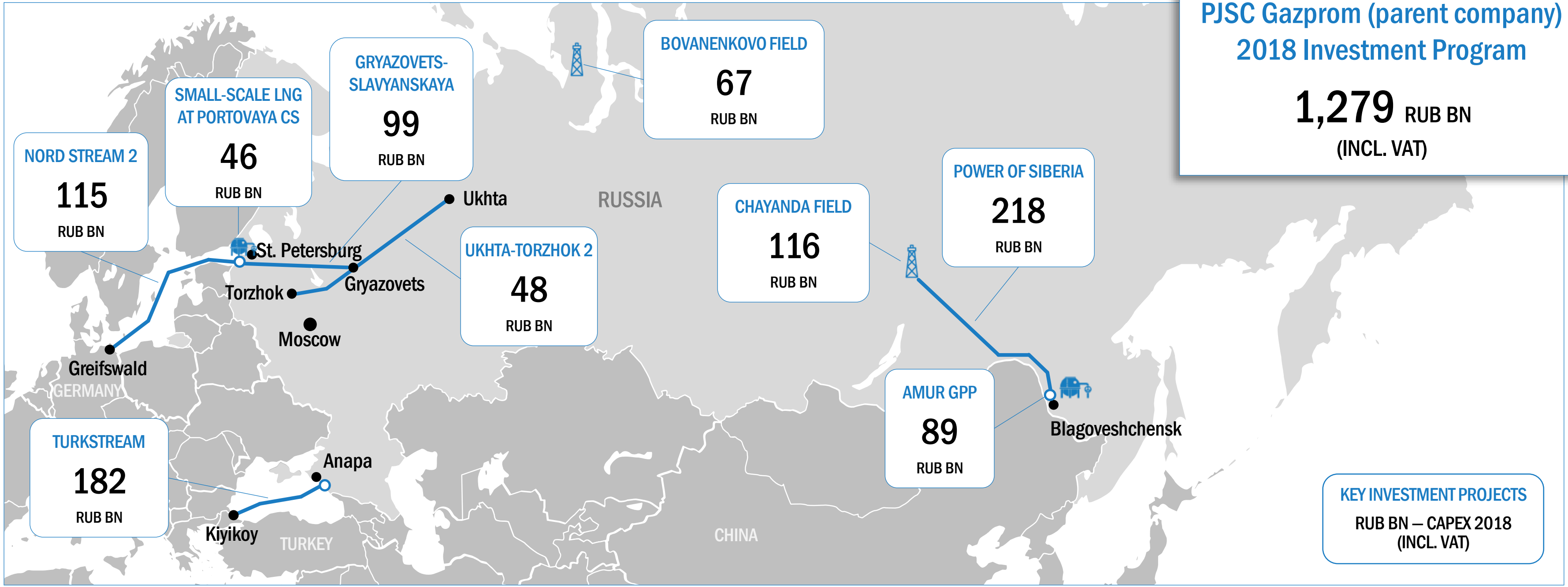
GAZPROM

KEY GAS BUSINESS INVESTMENT PROJECTS

PJSC Gazprom (parent company) 2018 Investment Program

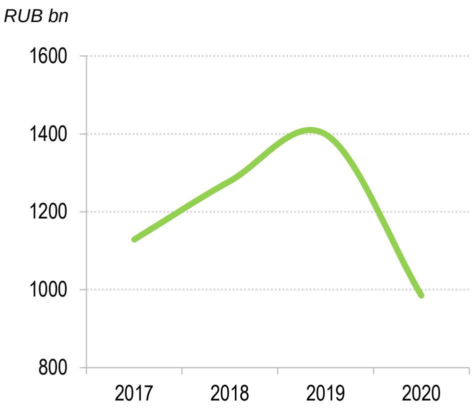
1,279 RUB BN

(INCL. VAT)



GROUP INVESTMENT PROGRAM IN 2018 – 2020

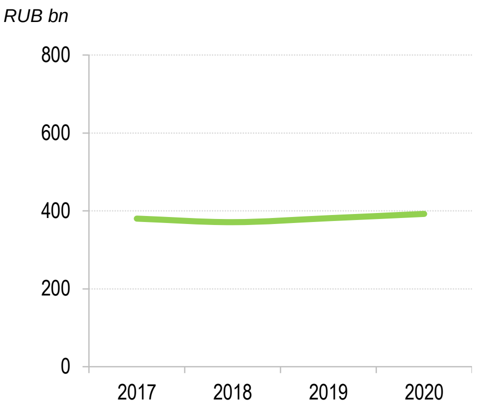
Gas business[1] (PJSC Gazprom – parent company)



Key projects:

- Power of Siberia (incl. upstream)
- Nord Stream 2
- TurkStream
- Amur GPP

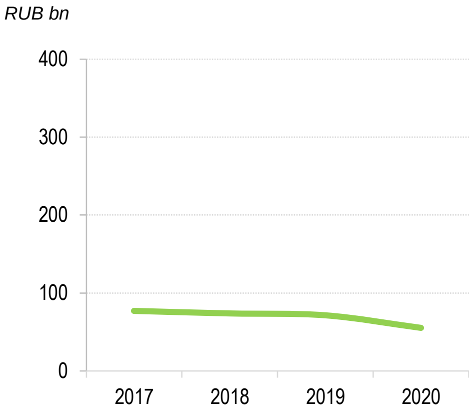
Oil business[1] (Gazprom Neft)



Key projects:

- Key greenfields developments
- Brownfields maintenance
- Downstream projects: Moscow and Omsk Refineries

Power generation business[1] (Gazprom Energoholding)



Key projects:

- Grozny TPP
- Amur TPP
- Panchevo TPP
- Maintanence

[1] Incl. VAT

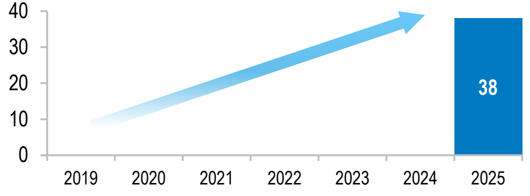
STRATEGIC PROJECTS TO DELIVER PROFIT GROWTH

GAZPROM'S KEY STRATEGIC PROJECTS TO START CONTRIBUTING TO EBITDA AND FCF SINCE 2020

Gas export growths

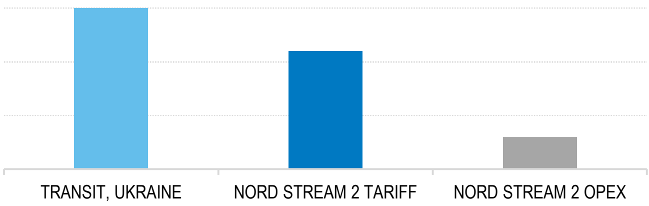
Supplies to China via Power of Siberia pipeline

Project design volumes of gas deliveries to China



Cash cost reduction

Positive effect of consolidation



20% of additional gas export volumes[1]

8% of additional gas production volumes

Start of deliveries **in 2019**

Rouble cost base
Export revenues linked to USD denominated oil product prices
Mineral extraction tax breaks

Sales of liquids from Chayanda field
Sales of helium, LPG, ethane from Amur GPP

TRANSPORTATION COSTS REDUCTION

- Positive effects of full consolidation of Nord Stream 2 and TurkStream

Nord Stream 2

- 2,000 km shorter export route from field to Germany
- Modern high pressure fuel-efficient pipeline corridor: lower transportation costs for Russian part of the route and especially for Nord Stream 2 from consolidation and lower transportation costs
- > $1.0 bn per year positive effect on EBITDA and FCF level
- Positive effect on net income

TurkStream

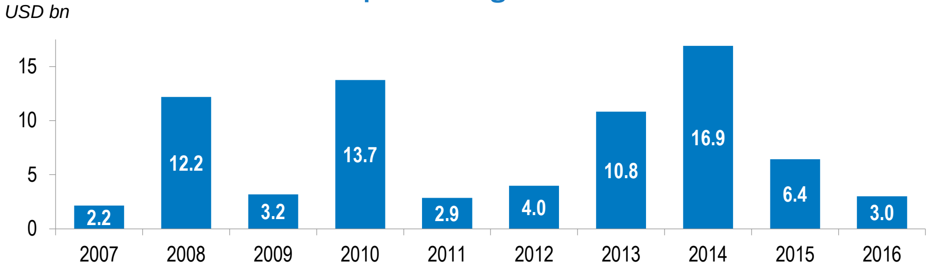
- Currently deliveries to Turkey go via Ukraine, Romania and Bulgaria
- Highly efficient 280 atm trunk pipelines

[1] *At target level of gas exports of 38 bcm, compared to 2017 non-CIS gas exports*

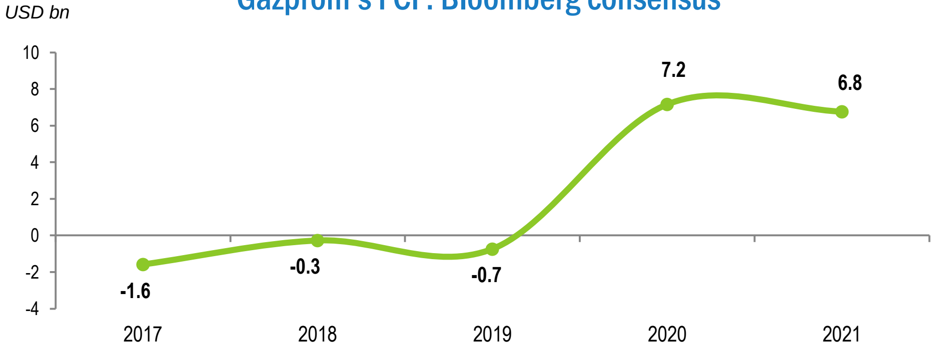
GAZPROM

FREE CASH FLOW GENERATION

Gazprom FCF generation



Gazprom's FCF: Bloomberg consensus



Key factors of FCF dynamics in 2018 - 2021:

Strong market positions

- Strong foothold on the European market
- Strong oil and gas prices, improved outlook

Revenue growth

- Start of gas exports to China from 2019
- Oil and condensate production growth

CAPEX optimization

- Lower CAPEX after 2019
- CAPEX optimization and prioritization
- Favorable currency structure of OCF and CAPEX
- Transition of oil and power generating businesses to positive FCF territory

Costs optimization

- Additional transportation costs reduction in 2020 (TurkStream, Nord Stream – 2)
- Mineral extraction tax reduction of c.RUB100 bn per year in 2018 and further reduction after 2020
- Cost control and optimization

POTENTIAL IMPACT OF U.S. AND EU UKRAINE-RELATED SANCTIONS ON GAZPROM'S BUSINESS

SANCTIONS PACKAGES	KEY CONSTRAINTS	SANCTIONS EFFECT
• Technological Restrictive measures: Gazprom Group's oil exploration and production activities	• Arctic offshore projects[1] • Shale projects[1] • Deepwater projects[1] • Yuzhno-Kirinskoye field development[2]	• Covers below 1% of Gazprom Group's production
• Financial Restrictive measures: Gazprom Group's financing activities	• Raising international long term debt finance by Gazprom Neft • Raising international long debt finance by Gazprombank[3]	• No restrictions for Gazprom's raising finance in capital markets, with the Company being an active player in debt markets (except for Canada's market)
• New restrictive measures under the US law of August 2017	• No explicit prohibitions on Gazprom, but the new US law touches upon possible secondary sanctions to be imposed on a making significant investments in Russian energy export pipelines or in a special Russian crude oil project.	• The guidance published by the US Department of State on October 31, 2017 "grandfathers" Russian energy export pipeline projects "initiated" prior to August 2, 2017

THE US AND EU SANCTIONS DO NOT LIMIT GAZPROM'S ACCESS TO THE GLOBAL CAPITAL MARKETS

[1] Projects that have the potential to produce oil in the Russian Federation or that are initiated on or after January 29, 2018, outside Russia where the Gazprom has control or has an interest not less than 33 % (US Directive 4 as amended on October 31, 2017)
[2] According to the US BIS designation as of August 2015 [3] Gazprom Group's associated company

GAZPROM

IMPROVING CORPORATE GOVERNANCE

BRINGING CORPORATE GOVERNANCE STANDARDS IN LINE WITH THE BEST PRACTICES

2017 results

- First time assessment of the Board of Directors and its committees performance
- Independent audit of corporate governance on a regular basis
- Third-party assessment of anti-corruption initiatives
- Corporate governance road shows in Europe, UK and US, as well as ESG road show
- Annual sustainability reporting (biennial prior to 2017)

2018 plans

- To develop and gradually implement a corporate governance improvement plan based on independent audit recommendations:
  - ✓ To make a larger number of documents available prior to shareholder meetings and launch electronic voting
  - ✓ To launch an induction programme for newly-elected directors
  - ✓ To use a personal attendance criteria for directors remuneration
  - ✓ To make further steps to prevent conflict of interest of the Board members
  - ✓ To amend respective internal regulations in order to allow the Board committees to engage advisors
- To introduce communication between shareholders, investors and independent directors

GAZPROM

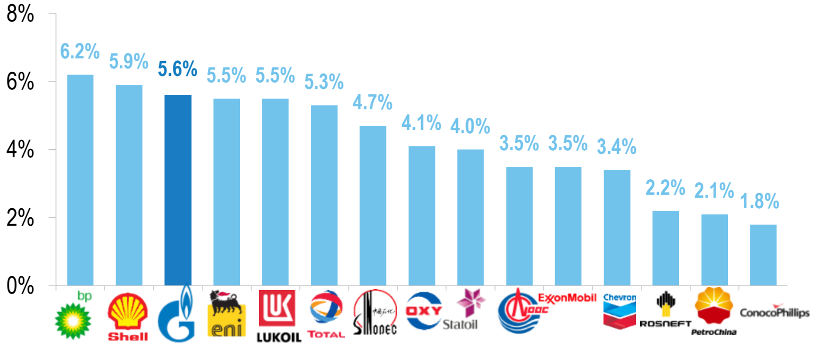
DIVIDEND PAYOUT

GAZPROM PURSUES BALANCED DIVIDEND POLICY

Outlook for 2018 – 2019:

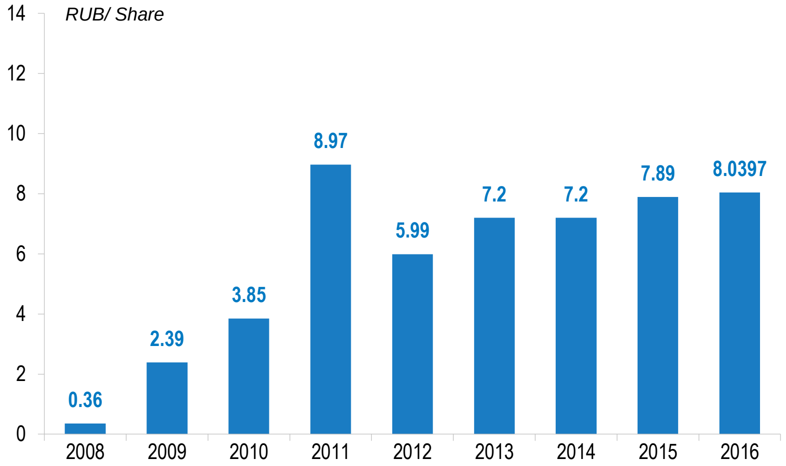
- Keeping the DPS equal to the level of the previous payment
- Maintenance of conservative financial strategy
- Balanced approach to the dividend policy
- Increasing the Company’s investment attractiveness

12M dividend yields of major oil & gas companies[1]



Dividend per share

Over the past few years, Gazprom consistently increased its dividend payments:



Source: companies data. Bloomberg

[1] Dividend yield is defined as approved dividends for the period divided by the share price as of January 31, 2018

INVESTMENT CASE

BUSINESS GROWTH, ENHANCING SUPPLY SECURITY

STRONGER FINANCIAL OUTLOOK

- Conservative financial policy, costs control
- Improving FCF profile
- Balanced dividend policy

BUSINESS GROWTH

- Strategic transformative projects (capex peaking in 2018 - 2019)
- Business growth in gas and oil segments; further growth potential
- Improving gas markets outlook. Spare production and export capacity

UNIQUE FUNDAMENTALS

- Outstanding resource base and infrastructure
- Low cost base
- High competiveness of Gazprom's gas. Record exports