

Sergey Kupriyanov: Good afternoon. The first meeting of the newly-elected Board of Directors has taken place. Following the meeting, Viktor Zubkov is elected Chairman of the Board of Directors. I would suggest that we start from the questions addressed specifically to him.

RIA Novosti: Good evening, Mr. Zubkov. I would like to congratulate you on the election to the Gazprom Board of Directors, and in this context to ask you how it could match with the President's assignment to withdraw public officials from boards of directors of state companies. Does it mean that we should expect another Gazprom's extraordinary Shareholders Meeting, or the Government made a special decision in relation to you? And my second question is to Mr. Miller: recently the volume of financial transactions in the oil market reached a pre-crisis level, how would you evaluate the influence of this factor on the gas market? And one more question, if possible?

Alexey Miller: You know, I will note these questions to myself, but as to the suggestion by the press-secretary, may be, Mr. Zubkov will start and then I will answer your questions as a matter of priority.

RIA Novosti: OK, thank you.

Viktor Zubkov: Yes, I would like to mention that the President actually made such a decision that ministers, deputy prime ministers, and first deputy prime ministers should leave their senior positions in state companies. And the deadline was set there. By the way, today, on June 30, I left the positions of Chairman of the Supervisory Board of Russian Agricultural Bank, Chairman of the Board of Directors of Rosagroleasing, and Chairman of the Board of Directors of Rosspirtprom. I suppose that the people whom I personally selected for these positions will work effectively, and these companies will keep performing. However, being a supervising deputy prime minister, I will definitely support these companies and observe these companies, while I would like to wish every success to the newly elected chairpersons of the boards. As for Gazprom, it is a largest company with the multi-trillion turnover (look, the turnover of the company in the past year amounted to RUB 3.6 trillion equaling USD 120 billion), a large company – the final decision is expected to be made till October 1. Pretty much time left: July, August and September. I suppose that by October 1 the corresponding decision will be issued. What a decision, we will inform you accordingly.

Sergey Kupriyanov: We should give the floor to newspapers close to Gazprom. Tribuna, please.

Tribuna, Rustem Tell: The whole editorial team would like to join today's congratulations, and we are waiting for the truly active work same as it was in the past years. In this context, the following question is of great interest and I am addressing it to Mr. Zubkov: how the program for the gasification of Russian

regions will be implemented further. Will it comprise new constituent entities, what will happen to the gasification plans, will they grow further or be on the same level? Will the concept of cooperation with local administrations change? Thank you. But my second question is, as far as I can see, to Mr. Miller, may I ask it?

Alexey Miller: May be, colleagues, the questions will follow later?

Viktor Zubkov: Let me answer. Certainly, the gasification of Russian regions is our priority area, and within past 5 years, Gazprom invests in this gasification program RUB 20 billion annually. In 2011 – RUB 25 billion, it is big money. We could invest more and perform more effectively, it is largely dependent on how the regions operate and fund these activities. We convey gas up to a populated area, and everything inside – site networks, layouts are made by regional authorities. Therefore, we will consider further, starting from 2012, I suppose, we will strengthen this area. I reckon that it is highly important, over 61 per cent has been gasified so far. You know, even 63 per cent, but the aim should be to raise this level, we will be working on it, I suppose, rather intensely.

Sergey Kupriyanov: Now let our foreign friends speak, Jacob Pedersen, Dow Jones, please.

Jacob Pedersen, Dow Jones: Hello, Mr. Zubkov, I also have two questions, if you don't mind. The first: being a co-chairman of Russian-Hungarian and Russian-Dutch commissions, how could you evaluate the cooperation between Gazprom and these countries? And the second question in order to define more exactly: the President's decision or order to withdraw ministers from boards of directors – what do you think, will anything change in Gazprom's corporate governance, and if yes than for the better or worse? Thank you.

Viktor Zubkov: So, in relation to the cooperation with Hungary I have been acting as a co-chairman of the intergovernmental commission with Hungary for the forth year already. We cooperate very actively with this country, it is extremely important for us that Hungary support us in our largest South Stream project, and now we have been working hard for the implementation of this project. It is worth mentioning that the benefit is mutual, for Russia – it is our additional source of energy supplies to Europe, for Hungary – additional workplaces and respective infrastructure. In my opinion, such projects are large and profitable, they are beneficial for both Russia and Hungary, we have similar projects with other countries. And I think this work will proceed with the same intensity.

As for the effect of the ministers' withdrawal on the company's performance – well, the affair is new so far, previously, you know, ministers, deputy ministers, first deputy ministers were necessarily present in the companies. Now in our company, joint stock company Gazprom, professionals were substituted for ministers, we already have a scientist, a banker and we have a representative from Kazakhstan, a very experienced leader as well. I think it doesn't weaken the

positions of the Board of Directors. I think that even at the current phase it is for sure highly important to have such people on Board. Time will tell, but to my mind, the President's decision is correct, and we need together with my deputy – just elected Mr. Miller, you can also congratulate him as Deputy Chairman of the Board of Directors – I believe we should effectively manage the work of our Board of Directors. I think the company will not be weakened at all, to the contrary, it could positively influence the development of our largest company.

Sergey Kupriyanov: Colleagues, Mr. Zubkov has to leave, let us thank him for his answers.

Viktor Zubkov: Let me thank you, esteemed press and mass media, I wish Mr. Miller to answer all your questions, I suppose it would take long. All the best, good bye.

Sergey Kupriyanov: Well, let us start with NTV.

NTV, Vladimir Kondratyev: Mr. Miller, one of the most burning issues now is the relationships with Belarus. You have told in your keynote speech that Gazprom's negotiators took a firm line primarily when talking with Western partners, and what about the firmness in relation to our close neighbors – Belarus and Ukraine – what will be the relations like in the nearest future? As we know, Belarus overcomes the most difficult time, and the Belarusian party, as we have heard, and could you confirm it, made terms and, may be, keep making the terms to sell the second half of Beltransgaz only on conditions that we switch to Russia's domestic prices in relations with them? Is that true, and what far Gazprom's firmness, which you mentioned today, could go?

Alexey Miller: Thank you. We have been having negotiations with our Belarusian colleagues on the acquirement of the second part, 50 per cent of Beltransgaz. The acquirement terms are the same as for the first part: USD 2.5 billion, we are ready to pay that money. Presently the contract has a very high degree of readiness on the corporate level, a percentage value would be 98 per cent, to my mind. On the other hand, our Belarusian friends, unfortunately, try to associate the signing of the contract for Beltransgaz with the contract for gas supply to Belarus starting from January 1, 2012. In fact, year 2012 is coming soon, and from the 3rd to the 4th quarter together with our Belarusian colleagues we will hold exhaustive negotiations on the conditions of gas supply to Belarus under a new contract. However, the acquirement of Beltransgaz and conditions of Russian gas supply to Belarus are basically different issues. And, by all means, only one issue could be a subject of our agreement. This is our position of principle, and it is essentially right. Unfortunately, our Belarusian colleagues have been still tying up these two issues. But, you know, one can get stuck in the tying up process. If the Belarusian party takes a decision to sell us 50 per cent of Beltransgaz without any additional conditions, than the contract could be inked just tomorrow. We are not referring to

Russian gas deliveries to Belarus on the basis of Russia's domestic prices. We are speaking on the principle of equal profitability we covered in today's speech and during today's session of the shareholders meeting. This is the principle of Gazprom's operations, we have been working correspondingly with our closest neighbors and beyond FSU. And the most important fact that we are starting to rely on this principle in Russia as well. Just today, in mass media, I hit upon a message from Belarus saying that the Belarusian party has been initiating the revisal of prices for Russian gas by the end of 2011 under the effective contract. I would comment accordingly that the contract is still effective up to the end of 2011, price terms have been stipulated there to be valid till December 31. Also, Belarus reported that the agreement was thought to be reached with Gazprom on the price formula for gas sales to Belarus. It is not true. At the moment, we have no agreements with our Belarusian colleagues concerning the price formula for the new contract. We are in for the respective activity in the nearest months. Beltransgaz could be bought tomorrow, the degree of the contract readiness is really high, and the Belarusian party should simply not tie up the untied issues.

Sergey Kupriyanov: Thank you. RBC will follow.

RBC, Sophia Pekarikhina: Good evening, Mr. Miller. I have several questions to you, dealing with gas deliveries to China. In particular, could you specify when you are having the next round of talks with your Chinese partners? And could you reveal the difference in prices offered by Russia and Chinese partners? And another small series of questions on the construction of the Altai gas pipeline. Do you have an idea of the investment value required for the construction, and is Gazprom meant to build the gas pipeline on its own, or the possibility of bringing in Chinese funds is being considered? Thank you.

Alexey Miller: Thank you for your questions. Actually, the Chinese issue, the issue of a long-term contract for Russian gas supply to China is of current importance, and we are actually referring to a long-term, extensive contract for 30 years and 30 billion cubic meters of gas via the western route. The arrangements reached with the Chinese party imply gas deliveries through the Altai gas pipeline, the western route, 30 billion cubic meters of gas and 38 billion cubic meters of gas via the eastern route. The western route is our priority, we are having talks exclusively on gas deliveries via the Altai gas pipeline, this is our priority, and we are not having talks on the eastern route. Moreover, it is worth mentioning that presently we are doing a feasibility study on constructing near Vladivostok and Sakhalin of additional capacities for the natural gas liquefaction for worldwide supplies. Therefore, a matter of current negotiations with China is a thirty-year contract for supplying 30 billion cubic meters per year. The succeeding round of negotiations with our Chinese colleagues will take place next month, basically, it's July tomorrow, and one should mention that a substantial work has been actually done, extensive negotiations with our Chinese friends have been conducted, and the degree of the contract readiness for signing is really high. The degree is so high

that despite several items of this contract, it could be signed just recently within the framework of the visit of a high state level. However, some current issues to be coordinated are vital in fact. And you put a question regarding the difference in prices, you know, it is appropriate to speak not about the difference between absolute prices, price difference, it is not crucial for us. The approach is of critical importance for us. The approach is as follows: equal profitability compared to the European market! As long as we are not referring to absolute supply prices, whether in the 1st quarter of 2015 or in the 3rd quarter of 2016, we are rather speaking on gas supplies for the thirty-year period, starting from 2015, therefore the issue concerns absolute prices not so much and even does not concern them at all, but a pricing principle, fundamental pricing principles. I should emphasize once again: this is an equal profitability principle, the principle we are starting to apply in relation to the Russian market for industries. To evaluate the prospective date of the contract signing and negotiations finalizing, you know, sometimes it could do a disservice when negotiators are aimed at the definite date of a contract signing. Parties are convinced that they would necessarily reach an agreement by that date. Anyhow, the principle of our work is a mutually beneficial approach. Agreements and contracts we ink are mutually beneficial. While these principles are not met, than irrespective of whether the provisional for parties date of documents signing is determined or not, we are not supposed to give up our principles. Although any roadmap gives quite a good support in negotiations, it provides discipline, and for the most important that, of course, it puts the issues for consideration in an order. And by all means constitutes a useful tool for negotiations. You know, I think it is appropriate here to recall the Chinese proverb “Never count miles on the way”. And as for the entire negotiating process and its final result, the following good Russian proverb would be appropriate “A journey of thousand miles begins with a single step”. Now, concerning the Altai gas pipeline and its price. For a start, Gazprom is completely ready for the construction of this gas pipeline at present. If the contract was signed, say, 2 weeks ago, than, accordingly, a week ago the corresponding documents would be signed in Gazprom to initiate the activities for the construction of that gas pipeline. Just several weeks ago we had a meeting on this project in Altai. I am convinced that a degree of readiness for the construction is absolute, we are ready to commence the construction. As for the amount of capital expenditures, you know, I suppose that such figures should not be revealed until a project becomes feasible and the construction is getting underway. Our principle is simple here: gas should be sold at first. Therefore, let us sell the gas and then reveal the figures characterizing the price for the construction of corresponding gas transmission capacities. First, gas should be sold, then produced, then conveyed, and the required capacities should be built.

Sergey Kupriyanov: Well, let us proceed. Interfax, Alexey Novikov, just questions in portions, please.

Interfax, Alexey Novikov: I have two questions – one concerning Ukraine, and another – Germany. Next Tuesday we are having a regular meeting of the Russian-Ukrainian Commission for Economic Cooperation. Facing such events, Ukraine tends to speak much on its expectations from the talks. Could you advise – this week the negotiations with Yury Boiko took place in Moscow, obviously ahead of the preparation for this commission – what exactly the companies have prepared for the regular meeting and what issues would be really discussed by the commission instead of what we are usually offered – to speak on gas at the final press conference? And the second question: could you speak in more detail about the plans and intentions of Gazprom in relation to the development of German power industry? Is that possible to unify Gazprom’s desire to share the margin in the power sector, and may I continue this question up to the direct question, what are the chances that Gazprom could acquire shares of German energy companies, such as E.ON, RWE and other public companies operating in Germany? Thank you.

Alexey Miller: Thank you for the questions. As for Ukraine, you know, all the same I am not entitled to comment on the agenda of the intergovernmental commission. As for our negotiations on the corporate level, on the level of the Ukrainian industry ministry, surely, I am ready to inform you. Ukraine is referring to the lower price for Russian gas supplies to Ukraine currently. You are aware that the price for Ukraine is USD 100 below the market rate. Such a decision was taken within the framework of Kharkov agreements, accordingly, in the 2nd quarter Ukraine, for instance, receives gas for USD 297 for a thousand cubic meters. Our Belarusian friends (Belarus is a member of the Customs Union) – the state where we have 50 per cent of Beltransgaz, are currently buying gas for USD 244. The difference is insignificant at all, but when speaking about Ukraine, we have the following concept: apparently, NAK Naftogaz Ukrainy and not only NAK Naftogaz Ukrainy, but whole Ukraine could reconcile a huge number of issues, provided they accept our offer to merge Gazprom and Naftogaz Ukrainy and establish a united company. We say that in this case we will have a unified price policy of the company in relation to the consumers in Ukraine including households and industries and concerning Russia’s domestic prices and the transfer to Russia’s domestic prices, and, as you see, they are considerably lower than even the Belarusian price.

Secondly, without any doubt, NAK Naftogaz Ukrainy would get a chance to fund the reconstruction and upgrading of the gas transmission system in Ukraine that is an essential issue for Ukraine. Not only an essential issue, but the issue that is becoming a matter of concern of end consumers as well as gas suppliers. At that, one should bear in mind that the issue of funding, reconstructing and upgrading is not a one-time measure – to take several billion euros somewhere in Europe. One can take several billion euros, dollars, spend them, mend some pieces, and so what? Those offers made by Gazprom provide for having the financial resource, which could let the gas transmission system of Ukraine comply with all necessary

requirements existing in the market today. Therefore, our concept is as follows: we can meet the needs of our Ukrainian friends, however with an understanding that there will be one company with common targets and development strategy. Therefore, all meetings and talks that took place and will take place in relation to the Ukrainian issue, in fact, are originally based on the concept of establishing a single company aimed at the creation of the common economic zone. However, it is not a matter of Gazprom; we do not hold such talks.

Germany. If speaking on plans and intentions of Gazprom with respect to the German power industry, they are truly serious. Together with our German partners we could develop a brand new relationship system in the power industry bearing in mind that all events that have taken place in the world and the European energy market are the events that, we believe, could let gas change the rules of play in the European power market. We do have such a concept. In addition, we are ready to invest in new gas generating capacities in Europe, we are ready to buy shares in existing power plants, and we are ready to consider potential direct contracts for supplying Gazprom's gas to the mentioned consumers. Thus, we are prepared to say that a tariff policy for gas could be adjusted accordingly, but a profit center will shift from the gas sector to the power industry than. In this respect, of course, a concluding part of your question, in relation to a potential acquirement, is logical. Presently, Gazprom has no definite offers from any German energy group – E.ON, RWE or any other. Provided such offers happen, the issue would be very serious. And, surely, than it needs to be deeply analyzed to consider and weigh everything with due attention. I mean second thoughts are best.

Sergey Kupriyanov: Thank you. Let us, as we have promised, get back to those, who asked only a part of their questions.

Tribuna, Rustem Tell: Mr. Miller, in your speech for the shareholders you have mentioned two largest Pan-European mega projects, these are: Nord Stream and South Stream. Currently, one more project exists – Nabucco. And I would like to know your point of view regarding this huddle of gas routes. I mean that some analysts, some Western experts say that holding these two projects, Russia tries to embrace Europe with its gas claws. The image is surely not bad, but how it corresponds to reality, and probably this image had caused some resistance that was experienced by Nord Stream during the negotiations and the initial stage of its implementation in due time, and obviously the same for South Stream now? Thank you.

Alexey Miller: Thank you. You know, Nord Stream actually experienced some resistance. However, we have already built an offshore pipe by now, tests on filling the pipe with gas have been underway, and first commercial deliveries of gas via the first string of Nord Stream to Germany are expected for the end of October or in November. And our European colleagues say: to what extent Nord Stream is up to date! It is regarding some resistance. I suppose that today the European Union

states, largest consumers of Russian gas in Europe, Russia and Gazprom have the same strategic vision. Transmission routes should be diversified and incremental gas transmission capacities should be introduced. Therefore, with respect to Nord Stream we are speaking not only on the first string but also on the second string, which will be launched next autumn to achieve the rated capacity of 55 billion cubic meters of gas a year.

Also, surely, we are referring to South Stream with the rated capacity of 63 billion cubic meters. Our current perception of the situation in the gas market is that, obviously, some additional gas transmission capacities will be required in the mid-term to supply Russian gas. And if we speak on these cliché or claws for Europe then, you know, in fact, when implementing these projects we pursue a noble aim to completely exclude transit risks for Russian gas to Europe. I would like to underscore the word “completely” here. We are in for good news relating South Stream in the nearest future, I think. Considerable success has been reached with respect to the Shareholders Agreement, which, I guess, will be signed in the shot run.

PRIME-TASS, Maria Tatevosova: Mr. Miller, could you tell us, why you have called the Third Energy Package outdated in your speech? How would you evaluate the present gas market in Europe and the role of spot transactions in it, how the situation in Libya and in the African region has changed it? And what could be changed in the pattern of Gazprom’s export policy accordingly, and could the company’s profit centers – I mean Gazprom export – move, for instance, outside the Russian Federation? Thank you.

Alexey Miller: Well, you have asked several questions with the capacity of making one more presentation, at least, forty minutes long. Nevertheless, the questions are truly interesting, and I am ready to communicate my point of view here. Indeed, I called the Third Energy Package outdated in my speech. You know, the Third Energy Package, its ideology was composed and approved prior to the global financial crisis. And, by all means, before this year events that took place in North Africa, the Middle East, and nuclear crisis in Japan. The coordinate system has changed very fast, and in such a new coordinate system “the Third Energy Package” has become obsolete in our opinion. The aims and tasks challenging consumers in Europe, and suppliers, I reckon, today sound slightly different from those formulated by European consumers in the Third Energy Package. At that, speaking on the Third Energy Package, first, for our part we see the ways to avoid the difficulties caused by the Third Energy Package in relation to the construction of new gas transmission capacities to export Russian gas and act in the market. We believe that such issues could be coordinated as part of the agreements between Russia and the European Union concerning the status of export gas mains from Russia to Europe. Moreover, everybody knows that Norwegian gas pipelines have some exclusive features within the framework of the Third Energy Package, and the Third Energy Package is not effective in relation to them. Norwegian gas

pipelines have been attributed to so-called process gas pipelines. We do not ask much – we say let us eliminate the discrimination of gas transmission projects being implemented by Russia, by Gazprom. Today, one can definitely say that the Third Energy Package nothing else but fetters investing in gas transmission capacities to Europe. It is not a highly profitable business anyway. Who will invest on the conditions stipulated in the Third Energy Package then? We have no answer from our European colleagues. But, you know, interestingly, some experts say that a principle of the Third Energy Package on the third-party access to gas mains and pipelines, we do not challenge it, because it is not clear, how third parties could appear there, while it is 100 per cent our gas, so a number of experts tend to deliver so interesting judgments that the third-party access principle could be as a mirror-image applied to the goods and material flows from the European Union to the importing countries. What an interesting judgment!

However, generally we have a close dialogue with the European Commission, we are continuously in contact, we openly communicate our point of view, we see that currently our dialogue has another nature, we see that realistic notes sound, and I suppose that the parties will come to a mutually acceptable decision. Regarding the European market. European market. I will try to be as short as possible when answering your question. For 85 to 90 per cent – there are long-term contracts for the future, for 10 to 15 per cent – it is a spot market, long-term contracts based on the take-or-pay principle and on the basis of pegging to the oil basket. Presently, we have to hear many different customer judgments in relation to pegging to the oil basket in present conditions. I would like to say for a start that these are profound mistakes that gas supplies under long-term contracts will be executed on the basis of gas indices in the spot market, on the virtual trading platforms in Europe. These virtual trading platforms do not reflect a market value of gas at all. No pegging to any indices is expected. The oil basket through the price of oil and petroleum products gives the more or less market-based value of gas. You know that we work on the basis of the Brent oil price. Why is it more or less market-based? Because, if we count a heating capacity, oil would cost more than gas. What does it mean? It means that gas is undervalued. At that, the relation is as follows, the price of gas accounts for 70 per cent of the oil price. Some producing countries within the framework of the Gas Exporting Countries Forum say that the countries participating in the forum should act conjointly in order to make the gas price fair and comparable with oil as another hydrocarbon. As for the European market, I suppose that synergy will cover a bigger and bigger share of the gas and power market in the current situation. And Gazprom has the respective expertise available, and the respective investments available, the financial potential to take part in such processes and enter business sectors in Europe new for it. As for spot trade, now the spot market in Europe is really thin, let's say. The reason is that the demand for liquefied natural gas has been growing substantially in the world market this year. The future of the spot market is not subject to change, the spot market in Europe will occupy the same 10 to 15 per cent it occupies now. The

profit center will not move abroad, Gazprom's profit center is situated here in Russia, the profit center is Gazprom.

RIA Novosti, Eugenia Sokolova: Mr. Miller, I would repeat the question I have already tried to ask then. By now, the volume of financial transactions in the oil market has already reached the pre-crisis level, could you evaluate the influence of this factor on the gas market? And the second question – this year it is regularly reported, also from the officials representing industrial authorities, that Shtokman could be postponed for one more year, probably, for 2017 or 2018. Could you whether this information is trustworthy and whether there are any prerequisites for it?

Alexey Miller: Good, thank you for the question. Financial transactions in the oil market, the pre-crisis level. You know, according to our estimates, if we speak not only about oil but also about raw materials in general, then investments in raw materials overcame the pre-crisis level, the level of 2008 – by 25 per cent by now. And it is an upward trend. In this context, what is the overall effect on the gas market? Taking everything as a whole and with the consideration of the discussed situation in the world energy market, with due regard to the events in North Africa, in Japan, in Germany, the solutions on decommissioning of nuclear power plants, – everything in general leads to the increasing role of investments in gas as an element of risk hedging. In addition, financial investments in gas will grow. Similarly to what happened and happens to oil and other raw materials. Regarding Shtokman, the Shtokman Board of Directors, including Gazprom representatives and, as you know, Total and Statoil, resolved that the final investment decision would be made this December. The decision is integrated, the simultaneous decision for pipeline gas and liquefied natural gas, terms remain the same: the end of 2016 – the delivery of first pipeline gas, 2017 – the delivery of the first batch of liquefied natural gas from the Shtokman project. I would like to add that you have mentioned the financial transactions and investments, but I suppose that surely the situation in the world energy market incites investors to shift their priorities more and more close to the company operating in the gas business. Therefore, the stock market will also change in favor of gas.

Gazprom Magazine, Sergey Pravosudov: Mr. Miller, you have already referred to the Gas Exporting Countries Forum. Could you evaluate the activities of this organization and what prospects do you foresee for it?

Alexey Miller: You know it is most easy to speak about the prospects, because everybody agreed, both consumers and producers, with the fact that the golden age of gas had come, surely it has golden prospects. Nothing else could be added here. But if we refer to my evaluation of activities – by all means, the Gas Exporting Countries Forum is in a formative stage yet. And I believe that in the nearest future a number of aims and tasks put by the Gas Exporting Countries Forum will simply grow in importance. In particular, we will undoubtedly speak in more detail on the

global gas balance taking into account the growing demand for gas. And I am sure that a multilateral dialogue of participating countries will surely concern the pricing environment for gas with an understanding that some members consider gas to be undervalued today. When speaking how the Gas Exporting Countries Forum could influence the market, it is clear that the Gas Exporting Countries Forum is not the OPEC, having mechanisms aimed at the decisions on setting supply quotas by member countries, because gas is not a classical exchange-traded commodity, and oil is a classical exchange-traded commodity. But, you know, I think we should look with more attention at the mentioned OPEC, and if we look with due attention, it becomes apparent that the market situation was far more influenced not by some consolidated opinion of the OPEC member countries, but by the fact that a unanimity of members has not been achieved. That is the phenomenon. If previously the market influence of such international organization as the OPEC was executed particularly through general solutions on setting quotas, and it is namely influenced the pricing environment, the present energy market situation is that the absence of unanimity in the OPEC family has a significant impact on the oil price trends. What's the use of the said, in general such international organizations, see, could exert influence on the market by indirect methods as well. A summit of the forum countries is planned for the nearest future, and I believe that virtually during next year the forum of gas exporting countries will attain fundamentally new dynamics.

Sergey Kupriyanov: Thank you. Lena Mazneva, Vedomosti.

Vedomosti, Elena Mazneva: Mr. Miller, if you do not mind, two questions. One is still clarifying about Belarus. If we got you right, today's announcement by Mr. Vladimir Semashko, starting from 2012 in the new contract the principle of equal profitability of prices for Belarus and Russia has been under discussion, it means that for the current conditions it varies from some USD 120 to USD 125 in Smolensk plus additional transmission. And they demand the common principle of pricing as in Russia, obviously it means the fixed price for the whole year plus indexation from 2013 to 2014 in accordance with the resolutions of Federal Tariff Service. And he has also said that today he is waiting for your call to know if Gazprom agrees with the mentioned principles or not. Is it right that you finally had such a conversation with Mr. Semashko, and do you agree with the mentioned principle or not. And the second question is related to supplies and contractors, in the course of your today's words about the enhanced activities aimed at reducing costs. Several years ago in Gazprom a concept for the demonopolization of the construction industry was adopted, and as part of it several construction companies were sold, five subsidiaries of Gazprom engaged in construction, but they were all finally acquired by a single group – Stroygazmontazh – and now the situation is that mainly two contracting holdings operate at the largest projects of Gazprom. Namely, Stroygazmontazh and Stroygazconsulting. Does the situation suit Gazprom, why it had happened and how you are going to change the situation, if you are going to do that? Thank you very much.

Alexey Miller: As for Belarus, I would like to tell you straight away that if you calculate the equal profitability, you will not see any USD 120 there. As soon as I can see, you can use a calculator, I would recommend you to make accurate calculations and observe that the figure is absolutely different there. Firstly. Secondly, nobody has mentioned any equal profitability with respect to Smolensk, and such conversations have never been held. I would like to repeat once again, we have not been having negotiations with our Belarusian colleagues on any formula, we are going to hold them during the preparation of a new contract starting from January 1, 2012. As for the equal profitability principle, the equal profitability principle is also valid in relation to the European, Russian and Asia-Pacific markets. There is nothing unique here. The principle is universal. There is no trace of any USD 120 there. Indexation.

Regarding suppliers and contractors. Stroygazmontazh, Stroygazconsulting and in general, esteemed newspaper, you know, I like and respect you so much, I consider, in order to start answering your questions, I think that everything you have said is, listen to me carefully, an ideologically motivated hypothesis. As for the costs optimization including the construction activities. We referred to the mentioned topic during today's meeting. I can say that looking at the circumstances surrounding Gazprom now, we are going to work in the toughest manner with our suppliers and contractors in terms of costs optimization disregarding their quantity in the market. One, two, three, five and so on. It does not matter. One should understand that the situation is basically as follows, within the next few years we – in this audience, I can say, everybody knows for sure – should considerably increase investments and implement large-scale investment projects. On the other hand, we realize that the tax burden levied on the company has been increasing. By the way, I can say that in the relevant discussion with industrial ministries, we have adduced these arguments and, in general, I can say that Gazprom will not anyhow adjust targets and tasks. I am answering you question, what does it mean. It all means that actually considering the mentioned volume of tax exemptions, we are going to hold tough negotiations with absolutely everybody – I emphasize – with respect to our costs optimization. For Stroygazmontazh, equipment supplies and so on, and that sort of things. I will not name the companies along the whole chain, there are – pipe manufacturers, metallurgists and others in the list constituting the whole chain. However, Gazprom's suppliers should not have a higher IRR than Gazprom! We have already held several relevant meetings with them – I met them, gathered them – leaders and shareholders of these companies. And I told them, esteemed colleagues, the approach was as follows. The explanation to what is generally under way with supplies and Stroygazmontazh – is quite simple at all. When you began to speak with respect to – may be the number of companies is too small, what are the companies – and so on and so forth – I told you at once, it is an ideologically motivated hypothesis. What is going on in general, if we do not look ideologically motivated but face the truth? The truth is as follows, all Gazprom's suppliers – of equipment, services, construction and installation operations – currently tend to understand oil prices much more effectively. They also watch

closely the Brent oil price quotations, and they already know that Gazprom will earn such-and-such proceeds, in such-and-such quarter, in the 3rd quarter it will earn this much, in the 4th quarter – that much. But, excuse me, it is some inflation, oil-based element. I would not give you examples now related to how several items important for Gazprom become more expensive based on prices for the year 2012, it can't simply be true. Therefore, answering your question, we will work in a tough manner, and our principles will be universal with respect to everybody. You are welcome.

Sergey Kupriyanov: Thank you. Well, now Alexey Grivach, the Moscow News.

Moscow News, Alexey Grivach: If you don't mind, several questions as well. One of them I would prefer to ask Mr. Zubkov, but I am late, he has already left, may be, you could answer. In autumn 2007, when Mr. Zubkov headed the Government of the Russian Federation, the list of federal fields containing some 30 items was introduced, and just several days ago a tender was held in the Federal Subsoil Resources Management Agency for 2 out of these fields, the tender failed, however it was resolved to pass the licenses to Novatek. Why Gazprom has not taken part in the tender, while initially in 2007 they assigned to the owner of the gas transmission system, in other words Gazprom. The second question – who offered Kulibaev as a candidate to Gazprom's Board of Directors, what was the purpose, how could you evaluate this decision, would it be the conflict of interest. And one more small question – today the Lithuanian Parliament finally adopted the Law on Natural Gas in the third reading. After the President's signing – Gazprom and Ruhrgas, precisely, Lietuvos Dujos – should somehow get rid of Lithuania's gas transmission system. Your comments, what you are going to do, will you prosecute at law, would you sell, for how much.

Alexey Miller: How we are going to act in relation to Lietuvos Dujos and Lithuania, right? Am I right? Colleagues, may be I would start with Lithuania. Just today, it has been reported that the Lithuanian Parliament voted to reserve the so-called unbundling resolution – the toughest option within the framework of the Third Energy Package – for the year 2013, so actually it means that nothing will happen during the definite period of time, and I suppose that we will be having a dialogue with the European Commission on the Third Energy Package, with our Lithuanian colleagues, but as a matter of fact, the proposed option has been already subjected to a rigorous feedback, I would not repeat it here, but I can say that if the resolution was implemented, it would not be disregarded.

As for Timur Kulibaev. Well, who offered him. You see, Mr. Grivach and I have known each other for a long time, you see, in the Management Committee, as the Management Committee Chairman I have certain sympathies for Grivach, because this journalist is, in fact, deeply involved in the subject of the oil and gas industry in general, and particularly Gazprom. Actually, his materials are always interesting to read, and, you see, I can say that Mr. Kulibaev and I have known each other for

10 years, since the time I joined Gazprom. By the way, today, during the meeting of the newly-elected Board of Directors, we just recalled together what was the start like, and, in general, 10 years ago – a bit less, when corresponding agreements between Russia and Kazakhstan were signed in 2003 – the activities began back in 2001, when the new management, if it is possible to say now, joined Gazprom, so the agreements signed with Kazakhstan have been still forming a basis of our cooperation with Kazakhstan in the gas, oil industry, and I am pleased that your obedient servant Mr. Timur Kulibaev had a hand in the development and introduction of these documents at that time. Looking at the election of Kulibaev on the whole, you know, he was nominated not as part of the governmental package, he had occupied the position of an independent director, like we recently had Mr. Burckhard Bergmann. By the way, I would mention that today Mr. Burckhard Bergmann has been appointed as International Affairs Advisor to Chairman of the Gazprom Management Committee. Getting back to the newly elected Board of Directors, and, in particular, to Mr. Timur Kulibaev, undoubtedly, Russia and Kazakhstan have common interests in gas – they are producing countries. Anyway, I can say that there is no gas-related area where we would not work and cooperate. Kazakhstan sells us gas, we sell gas to Kazakhstan, because there are some regions, like Kustanay, for instance. Kazakhstan transits gas from Kazakhstan to Kazakhstan via Russia, Russia transits gas from Russia to Russia via Kazakhstan, we transit gas we acquire in Central Asia via Kazakhstan, and so on. I can say that we do not have such a wide spectrum of relationships with any other country. In addition, there is an understanding that we are planning to implement large projects with our Kazakh colleagues, these are the Imashevskoye field, and surely we are referring to the Orenburg and Karachaganak fields. I can say for sure that the election of Kulibaev to the Gazprom Board of Directors will give a fresh impetus to developing our cooperation in gas even within the Customs Union. Therefore, I believe that Grivach had got that the Gazprom Management Committee Chairman took a certain part in the election of the new member on Board. Hence, I would repeat once again, I can say the kindest words about Mr. Kulibaev based on the ongoing and passed work. Namely, the existing fundamental principles of cooperation agreements between Russia and Kazakhstan in gas area were introduced in cooperation with him.

The list of federal fields, Novatek tender, why Gazprom has not taken part. Actually, Gazprom does not participate in every tender, you all know it perfectly, I do not see any problem here, if you've noticed, currently, as at the end of year 2010 our aggregate reserves increment amounted to 108 per cent. In 2010 the reserves increment was 547 billion cubic meters versus the production volume of 508 billion cubic meters. Gazprom does not set an objective – I should emphasize – to become a monopolist in the Russian gas market. For today, the share comes to 70 per cent, therefore we do not set an objective to buy every field, and it is completely excluded from our scope of work. We plan to completely meet the demand of Russian and international consumers, and I can say that our resource base, you know, is the largest one in the world, and today the reserves have been

announced in the speech – 33.1 trillion cubic meters. I would emphasize once again, the policy of Gazprom is very simple. The annual incremental growth of reserves should surpass the production volume. Provided that there are any difficulties with the reserves increment, then in particular we will start buying fields at the tenders.

Sergey Kupriyanov: Thank you, now Olga Mordyushenko, colleagues from Kiev in the first row, please get ready.

Kommersant, Olga Mordyushenko: Hello, I would like to ask questions regarding two fields, widely and always differently covered, the Kovyktinskoye and Chayandinskoye fields. Does Gazprom have a definite plan where gas will go, because there were mentioned an LNG plant in Vladivostok, a pipe in China and supplies wherever. And also, who will develop? Because Igor Sechin said that Japanese companies were invited, then Gazprom mentioned that it would develop itself. That is, is there an understanding, who will develop these fields, and respectively when? And one more question concerning Shtokman. You now also say that supplies are expected commence in 2016, while at the St. Petersburg Forum Mr. Ledovskikh from the Federal Subsoil Resources Management Agency officially announced that Gazprom asked to postpone these terms to 2018. Could you comment accordingly? Thank you.

Alexey Miller: You know I believe that if you have questions to Mr. Ledovskikh, it would be better to address them to Mr. Ledovskikh. If you have questions to Gazprom, then to Gazprom, and we have not changed our position here: pipeline gas – 2016, liquefied natural gas – 2017. About Japanese companies. We are speaking on the possible participation of Japanese companies in the project implementation, however, by now I have not heard about it from anybody, and all the more in Gazprom, I can say, there are no relevant decisions, and we have not even considered this issue of Japanese companies becoming license holders. A quite simple principle is appropriate here: we are prepared to consider the participation in license holding, also of Japanese companies, based on the principle of asset swap. Japanese companies have been aware of this position. And in this context, if Japanese companies propose worthwhile and equivalent assets, and if there is such interest from the Japanese party to enter into subsoil use, we are ready to consider the option. There are no proposals for today, the principle has been announced, Japanese companies can participate in the implementation of Kovyktinskoye and Chayandinskoye fields. Moreover, you see, Gazprom possesses experience in buying Japanese equipment, Japanese pipes and attracting Japanese funds. Concerning Kovykta and Chayanda. In addition, Gazprom has never expressed any controversial judgments in this respect, and I would repeat our previous words that Kovykta and Kovykta's gas could not be put onstream before 2017. I can say that not a single company in the world – nobody, even desiring to supply gas from Kovykta earlier – would not be able to do it for objective technological reasons. Gas from Kovykta will come in 2017 at the soonest.

Currently, in relation to Kovykta we are doing as follows: just a couple of days ago we had a large meeting here in Gazprom generally on the gas supply and gasification of the Irkutsk Oblast, in particular, the decision was taken concerning the adjustment of namely the General Scheme for gas supply to and gasification of the Irkutsk Oblast, and a decision was taken on the development of JOI – Justification of Investments – for the Irkutsk Oblast with an understanding of the fact that within the framework of this document the priority investment projects of Gazprom and respective gas consumers will emerge to be implemented in the Irkutsk Oblast in the medium term. In particular, the town of Sayansk has been mentioned in terms of a gas processing plant, gas chemistry, it is clear that we can consider – and this matter will be reflected in every document – a certain stage-by-stage approach, that is to speak on some regional project for the gas supply and gasification of the Irkutsk Oblast, and then to speak on the Irkutsk Oblast becoming a sound constituent entity of the Russian Federation supplying gas to other regions of the country. These documents will be developed in the nearest future.

As for Chayanda, I would also like to repeat that in 2012 we are commencing the construction of the Chayanda – Khabarovsk – Vladivostok gas main and, undoubtedly, gas from Chayanda will primarily feed the Russian Far East, therefore the options relating to Kovykta or Chayanda are basically absent now. The priority, consistency is obvious.

Sergey Kupriyanov: I promised a question to Kiev, but I am sorry, in order not to interrupt this subject, let us ask two questions concerning the same, I know that Jacob Pedersen from Dow Jones wants to ask one, you are welcome. Then, Shiryaevskaya.

Dow Jones, Jacob Pedersen: Well, you have partially answered my question, currently the Government is having an active discussion on the additional tax burden on Gazprom, including the considerable increase in the severance tax. How it could influence the profitability, production, investment program of Gazprom and generally do you consider it fair that Gazprom is obliged to allocate additional funds for the Federal Budget.

Alexey Miller: As for the Government's decision, we implement all the decisions adopted by the Government. And it is right, and it should be so and it would be so. If the Government takes a decision on the tax burden increase – that is the way to go. Concerning the investment program and an influence on it – there will be no influence on our aims and tasks as regards the itemized listing of construction projects, all of them related to the production, transportation, and storage of gas will be implemented according to our time schedule for short-term and mid-term periods. As for the influence – the influence will be exerted on the subject we have already covered at today's press conference, we are going to optimize our costs and pursue a more tough policy in relation to our suppliers. I emphasize, the prices

for their products can not grow even faster than prices for oil. And in general the Russian state should anyhow receive the royalty from gas first of all, instead of private companies irrespective of where they are situated in the gas supply chain to Gazprom, in the third or the fifth degree.

Sergey Kupriyanov: Anna Shiryayevskaya, Bloomberg, then Kiev.

Bloomberg, Anna Shiryayevskaya: Mr. Miller, a question related to Shtokman. I have already attempted to ask it during the St. Petersburg Forum – you somehow evaded an answer. Could you just now give us a preliminary estimate of investments into the first phase of Shtokman, it is clear that there is no final figure yet, however just preliminary data for today. And to what extent do you consider your project to be economically attractable in comparison with Novatek's Yamal LNG project, which is lately covered in a more positive way: they have tax exemptions, and terms come out to be earlier than those of Shtokman. That is, by how much Shtokman is more technically and economically attractable. Thank you.

Alexey Miller: You have said that at the St. Petersburg Economic Forum I evaded the answer in relation to, as far as I understand, the estimation of investments in Shtokman. Well, at the St. Petersburg Economic Forum I evaded the answer and today I will.

(Applause in the hall)

As for the terms, you know, to tell the truth, may be you could tell me what exactly in Yamal LNG goes earlier than in Shtokman, I can't recall. For the year 2016 – Shtokman also 2016. I would draw your attention to the fact that sometimes essentially different issues become subject to comparison. Now and then I hear why in the oil sector a pipe costs this sum, and in the gas sector – that sum. The answer is as follows – pipes are different. Concerning Yamal LNG and Shtokman, I can say – different projects. As for Shtokman, I will remind you: the field is situated at a distance of 560 kilometers from the Barents Sea shore. We have no experience in such projects implementation. Yamal LNG – the Yamal Peninsula, the plant is where – just here, onshore, next to the field. To answer your question regarding the terms in short – I can't imagine what will be faster and so on. Let us wait until the final investment decision and speak accordingly then. I believe that in the course of our today's meeting I don't think that giving an estimate to the potential Shtokman investments we could guess anything. We will not guess. Considerable work is being done, also, by the way, regarding the optimization of capital expenditures for this project, up to the final investment decision.

UNIAN Agency, Roman Tsymbalyuk: Mr. Miller, if you could specify: you said that talks with Ukraine are being held with an understanding of the united company establishment. Does it mean that the Ukrainian party agrees to create a united company and what will be the conditions of such establishing. And could you please specify if it is possible to adjust the price formula without the creation of a

joint venture? And the second question: everybody knows that now in Kiev Timoshenko is on trial for the contracts you have signed with Mr. Dubina. What do you think on this matter? And if one party is on trial, could it be considered a really successful agreement for the second party, that is, probably you and Mr. Putin were rewarded for signing this contract? Well, if Timoshenko has found herself in the dock.

Alexey Miller: The last – is that a question? Were we rewarded or not? I mean you ask were we rewarded or not? Well, what do you think yourself? Actually, the most complicated question at today's conference – I am supposed to evaluate the Ukrainian court. You see, I will not be very original and I will recall classical Soviet movies, and reply that apparently the Ukrainian court is the fairest court in the world. As for the reduction of prices without the creation of a JV. Well, if we had started to recall classical soviet movies and generally our common literature – than I would not be original as well and say – the money in the morning – the chairs in the evening. The money in the evening – the chairs in the next morning. Therefore, without the creation, without that or other – it is impossible. In addition, by the way, I would like to draw your attention to the fact that during the talks with our Ukrainian colleagues we have been referring to the creation of a joint venture, but only as a phase from our part. We say that yes, we are ready to consider the creation of a joint venture, but the joint venture could be a first step towards the merger of the two companies. And in relation to a joint venture and pricing conditions, as you may see, the story is absolutely different, absolutely not the story that has been mentioned in the context of the united company. Ukraine wants cheap gas.

Roman Tsymbalyuk: Is the Ukrainian party ready for the merger enabling to receive cheap gas?

Alexey Miller: I suppose you follow the talks, we meet our colleagues on a regular basis, tomorrow, on Friday, July 1, here in Moscow at 16, Nametkina St. we are having ongoing negotiations with our Ukrainian colleagues, and in particular, with Mr. Yury Boiko.

Argus Media, Anastasia Goreva: Mr. Miller, you have mentioned in your speech that in Europe and Russia demand for gas increased much earlier than it was expected. In this context, is Gazprom planning to raise investments into the production and speed up the development of the Bovanenkovskoye field not in terms of commencement but peak production of 115 billion cubic meters. Alternatively, may be, any other fields will be launched faster. And if Gazprom is going to increase the purchases of Central Asian gas, in particular, from Turkmenia? And the last question: if a deal with Beltransgaz takes place, would Gazprom build up the capacities of Yamal – Europe, the shortest way from Yamal to Europe.

Alexey Miller: Speaking on the production, undoubtedly, the trend of demand, existing in the European market today, surely, has been directly reflected in the production plans and while the decision-making in relation to the current production regimes. For 2010, we managed to regain more than a half of the drop, which occurred during the crisis. I would remind you that back in 2008 we achieved the production level of 550 billion cubic meters, and next year, following the crisis – we fell to 461, in my opinion. That is, 90 billion cubic meters, it was even more – the reduction during one year. For one year, we have managed to regain a half of the market decrease, and the production volume came to 508.6 billion cubic meters in 2010, but what do we have today. Now the picture is as follows: in actual figures for the first half year we have already produced by 9 billion cubic meters of gas more compared to the first half of 2010, but the most noteworthy fact is that the increment of production levels in June 2011 compared to June 2010 – plus 16 per cent. And if previously we expected to attain the pre-crisis level in 2013, today we can claim that the dynamics arising in demand and being reflected in production volumes let us reach the pre-crisis production level in 2012. However, I should emphasize that anyway it is the pre-crisis level, and you understand that Gazprom's production capacities are always higher than even our target volumes of gas supply to the market. Therefore, to speak that some point came for Gazprom when we should urgently make decisions on additional investments in the production or accelerated attainment of a production level at that or other large fields – in particular, in the Bovanenkovskoye field – attaining the projected output of 115 billion cubic meters of gas – there is no such situation by now. The basis of our activities is the balance method: annual balance, triennial balance, balance for 20 years – our solid tools. With respect to the markets of the FSU and beyond, we have a good understanding of volume we are supposed to deliver at the said year, today we are moving toward the same clear and definite pattern in relation to the Russian market. I mean that in the context of the fields we have on our books, and we are very much aware of what is the development project for such fields like, and we clearly see how a total production volume from different fields corresponds to the demand in this country, in the Former Soviet Union and in Europe. At that, we naturally consider various scenarios, we always have optimistic, conservative and pessimistic scenarios, and according plans of activities and measures are prepared relevant in case of each scenario. I would underscore once again, speaking on the urgent growth of investments in production and accelerated bringing any given fields to the projected output, there is no such a situation. But I emphasize, if the demand and production develop in the way that we expect now, then we will achieve this level as soon as by 2012, well, follow the market, take operational decisions. I would like to ensure you that we will always supply our consumers with gas completely and on schedule. By the way, the domestic market behavior is also very promising, more than 8 billion cubic meters of gas has been actually supplied in 2011 compared to 2010 for the first half year, and by 11 per cent in June compared to actual supplies in last June. The second quarter – 11 per cent and even a bit more. It means that the behavior of domestic

demand is also promising, therefore I would underline once again that probably we will be able to attain a pre-crisis level in 2012.

Central Asian gas. Taking into account everything mentioned above, for today we do not see any need to increase the production volumes of Central Asian gas. Nevertheless, in the market environment arising today the pre-crisis level has not been achieved, I will remind that in the pre-crisis period we acquired more Central Asian gas than currently. This is the reason why the matter is not on the agenda today. The pre-crisis level has not been achieved yet.

As for Beltransgaz, provided we buy 100 per cent of Beltransgaz, would we think about the creation of new capacities and in particular the Yamal – Europe gas pipeline? I would like to say straight away. Definitely not.

Sergey Kupriyanov: What's that, I was sure we had already tired you. Reuters, you are welcome.

Reuters, Olesya Astakhova: Mr. Miller, could you kindly say if Gazprom plans to revise its stake in Novatek? This is the first question. And the second question, could you invest in the LNG plant in Vladivostok. Thank you.

Alexey Miller: No, we are not going to revise our stake in Novatek. In relation to LNG plant in Vladivostok, we will be ready to answer this question by the end of this year. The feasibility study, I would draw your attention, has been developed in cooperation with our Japanese partners. This is our joint activity. I believe that we will be able to introduce some initial figures by the year end. However, in any case, we have already revised the designed capacity upwards. Presently, we are referring to the possible rated plant capacity amounting to 10 million tons of liquefied natural gas a year.

RBC Daily, Elena Shatilova: Mr. Miller, a question to you. The question regarding the Mezhhregiongaz Electronic Trading Platform. Today you have mentioned that every Government decision is executed by Gazprom. But look: natural gas exchange trading was supposed to start by June 1. However, at the Government request the Energy Ministry amended the draft Directive providing for gas trading on natural gas exchange trading just in June – quite recently – with an aim to exclude the Mezhhregiongaz Electronic Trading Platform from the trading chain and to transfer everything to commodity exchanges. And a resolution has not still been adopted, because there was a dialogue, Gazprom, as far as we know, came out in opposition and introduced arguments to resume trading at the electronic trading platform as well. My question is as follows, how the situation stands now, what do you think, will the role of the Mezhhregiongaz Electronic Trading Platform be kept, and when the trading will be resumed in your opinion.

Alexey Miller: When the trading is resumed, when the resolution is adopted – as for the governmental resolutions, we will fully execute the adopted resolutions, by

all means. The resolution has not been adopted so far – there is nothing to execute. However, regarding the electronic trading platform and exchange, you know, these are simply different commodities, at the Electronic Trading Platform and exchange, one should just understand that, and respectively consider and figure out the role of the Mezhhregiongaz Electronic Trading Platform. While we are having a constructive dialogue with industry ministries and authorities, our arguments have been presented and, to tell the truth, I can not imagine the mechanism without the ETP.

Fuel and Energy Complex of Russia, Yulia Nazarova: Mr. Miller, in the context of so cheerful indicators of production and demand, could you announce your forecast of Gazprom's financial indicators for 2011. Thank you.

Alexey Miller: Thank you. You have just said cheerful indicators. Probably, such a definition may also be used, but I feel that we could set apart such epithets together. I believe we are in for new production and demand growth records in the nearest future. However, as for financial indicators, surely, there will be Gazprom's records in earnings, in supply volumes and pricing environment. We have mentioned the growing price for gas, but actually prices for gas have increased and considerably, in the most recent period. Just now, while preparing the proposal on the budget and Gazprom's investment program adjustment for the second half year, we have revised an average price for gas – I emphasize, an average price for gas – by USD 80 higher. For a thousand cubic meters. Naturally, we have absolutely solid grounds for speaking on the record high financial performance by Gazprom. I would name one indicator for you in order to illustrate well our performance at year-end – EBITDA. According to our estimates, at 2011 year-end Gazprom's EBITDA will account for USD 60 billion. And correspondingly if are referring to the debt/EBITDA, a very important ratio for the investment ranking of a company, undoubtedly, we will have a very positive downward trend, because, as you see, the lower the ratio, of course, the better, but 60 billion of EBITDA by the year end – is an absolutely realistic figure.

Nikkei newspaper, Dmitry Bandura: You have said that the participation of Japanese companies in the subsoil use is possible subject to asset swap. Does it mean the participation based on the Shtokman model that is some shares in a managing, operator company? And if the cooperation won't go that far, then what are the possible forms. I mean is it only subcontracting or any other formats could be?

Alexey Miller: If we are referring to the Shtokman model, just in the Shtokman model there is no subsoil user at all, besides Gazprom, 100 per cent are there, hence when you speak about the operator, and participation in it, it is all much simpler in view of a mutually beneficial solution on establishing a joint operator company for the hydrocarbon field development. I am not speaking about other supplies, well, equipment and so on.

Sergey Kupriyanov: Well, I can't see any other hands raised, no questions left, apart from Grivach, so we did a good job today. No, Novikov has. Well, what is that! You are welcome.

Alexey Novikov: Mr. Miller, you have mentioned that in the mid-term perspective some additional capacities, besides Nord Stream and South Stream, will be possibly required in order to meet the growing demand in Europe. What do you think, where such capacities could be situated? You said that Yamal – Europe-2 is not an option. How does your imagination draw these new strings?

Alexey Miller: With regard to additional capacities that should appear in Europe. While today we have spoken a lot about the European market with you, I think we can continue. Having said that the LNG spot market became so thin, one should understand, what had happened, one should understand that additional volumes of liquefied natural gas from the European spot market were supplied to Japan. According to our estimates, the volume to be supplied to Japan by the end of 2011 from the European market – accounts for some 12 billion cubic meters. Now, regarding the situation in Libya. You know that supplies via the GreenStream gas pipeline from Libya to Italy have been completely stopped, 11 billion cubic meters. And when they are going to resume the supplies – the situation is vague. The decision taken by Germany to suspend nuclear power plants in Germany and Switzerland. Obviously, incremental gas supply will be required for the launched capacities in the gas-fired power industry. Additionally, those growth rates that have always been considered in relation to traditional consumers, and the situation without all these cataclysms and shocks. Therefore, we perceive that such gas transmission capacities are required, as the situation in the LNG market brings definite risks for the European market. By the way, I can say that this situation of 2011 with redirecting liquefied natural gas from the European market to the Japanese market is quite dramatic, or more dramatic for the UK market. Therefore, as for pipeline gas, it is absolutely clear that additional capacities for pipeline gas should be built, I don't think we should speak on some definite figure today, one could speak on the points clear in principle that they will appear, and also I think that obviously it is too early to speak on that or other route. Once again, the principle of our work, implementation of the Nord Stream project, implementation of the South Stream project, our principle is as follows: we would like to fully avoid transit risks for Russian gas supplies to Europe. We would like to eliminate risks in full. Therefore, let us, so to say, look, but in any case, gas should first be sold, then produced and transported to the end consumer.

Sergey Kupriyanov: Thank you very much.

Alexey Miller: Thank you all, I was very pleased to see you again.

(Applause in the hall)