

Gazprom – Investing in Europe

investing in clean and reliable
European energy future

Why Natural Gas?

Without natural gas...



With natural gas...

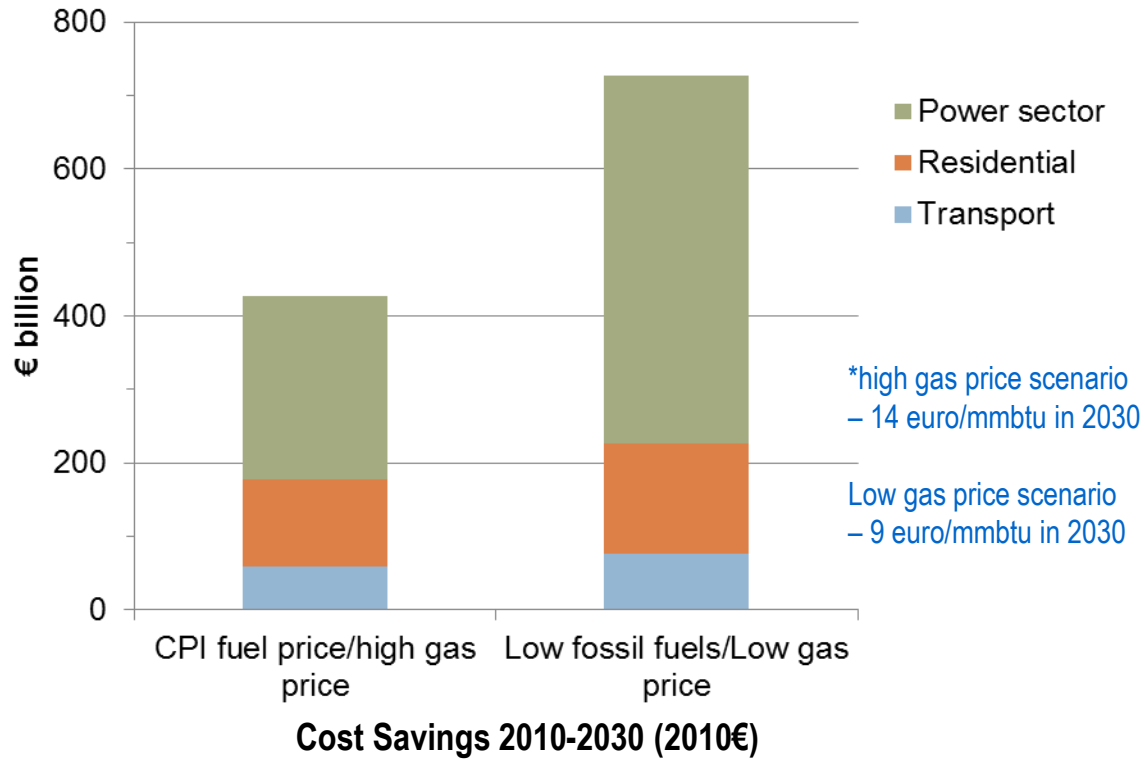


**Natural gas -
Clean, Reliable, Abundant**

Gas is the Best Fossil Fuel and the Cheapest Pathway to Reach CO2 Reduction Targets in the EU



- 'Optimised' pathways offer cost savings of about €500 billion in the period from 2010 to 2030 (under a high gas price scenario)
- Bigger savings under low gas price scenario: close to €700 billion



Source: European Gas Advocacy Forum

Why Russian Gas?

Alternatives to Russian natural gas in Europe

LNG

- Turned out to be more expensive than Russian pipeline gas

Domestic Shale gas production

- Unclear reserve base and production profile
- Unbearable environmental risk

Alternative supplies from Middle East and North Africa

- Growing domestic consumption in Middle East and North Africa
- Unforeseen political risks

Why Gazprom?



According to the Russian classification of reserves, Gazprom holds

- 35.1 trillion m³ of natural gas
- 1.4 billion t of gas condensate
- 1.8 billion t of oil

The Unified Gas Supply System of Russia:

- 168.3 thousand km of gas trunklines and branches
- 222 pipeline compressor stations
- 25 underground gas storage facilities

Gazprom's rationale

Share of Gazprom's reserves ~18% in the world gas reserves, production ~ 15%⁽¹⁾

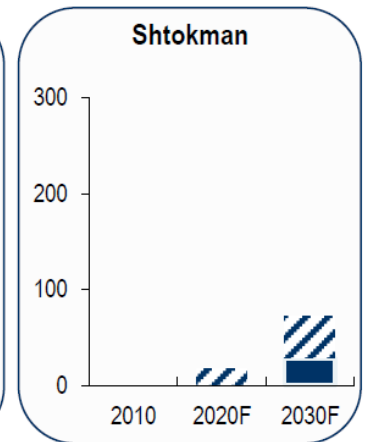
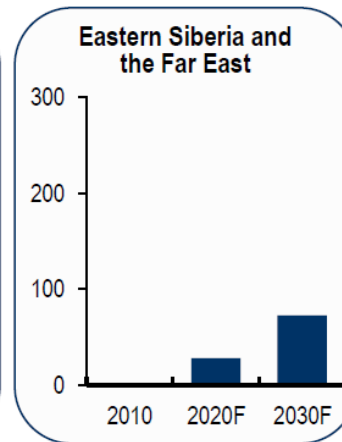
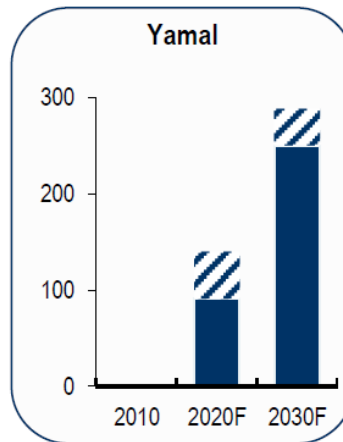
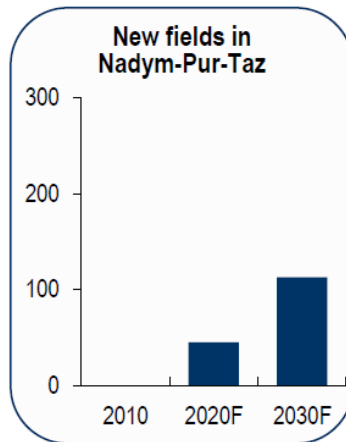
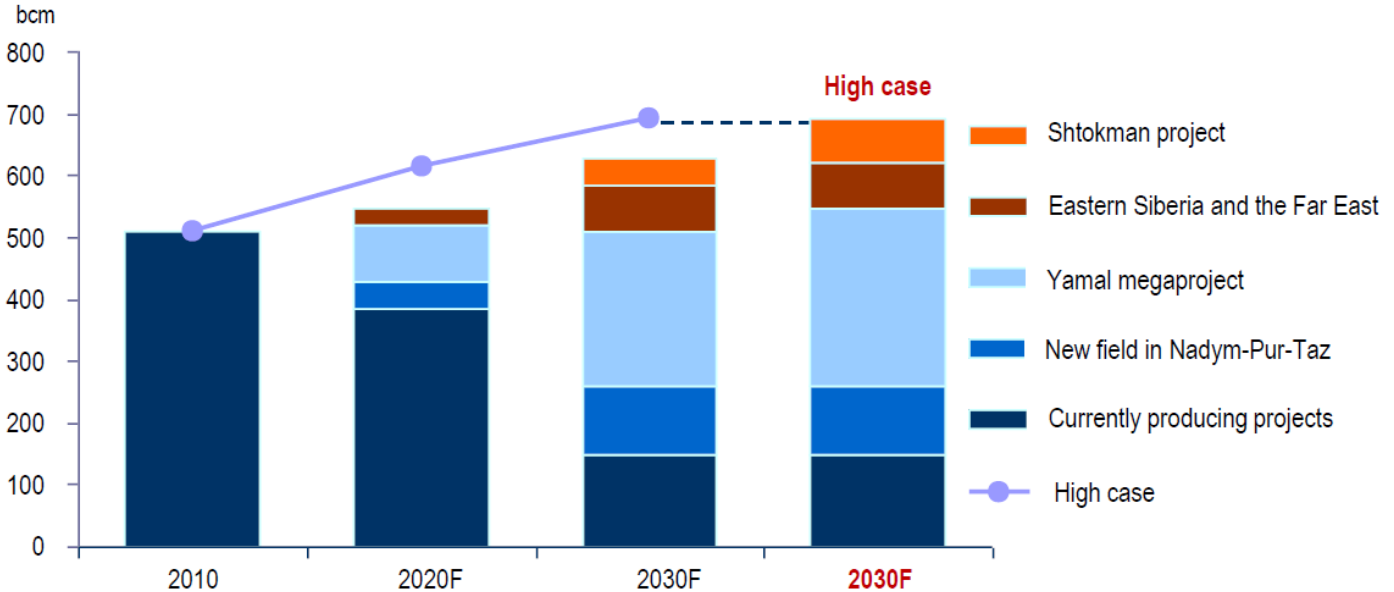


Gazprom's share in Russian gas reserves ~72%, in production ~ 78%⁽¹⁾



Gazprom's gas reserves of categories A+B+C₁ 35.1 tcm⁽¹⁾

Source: Company's estimates

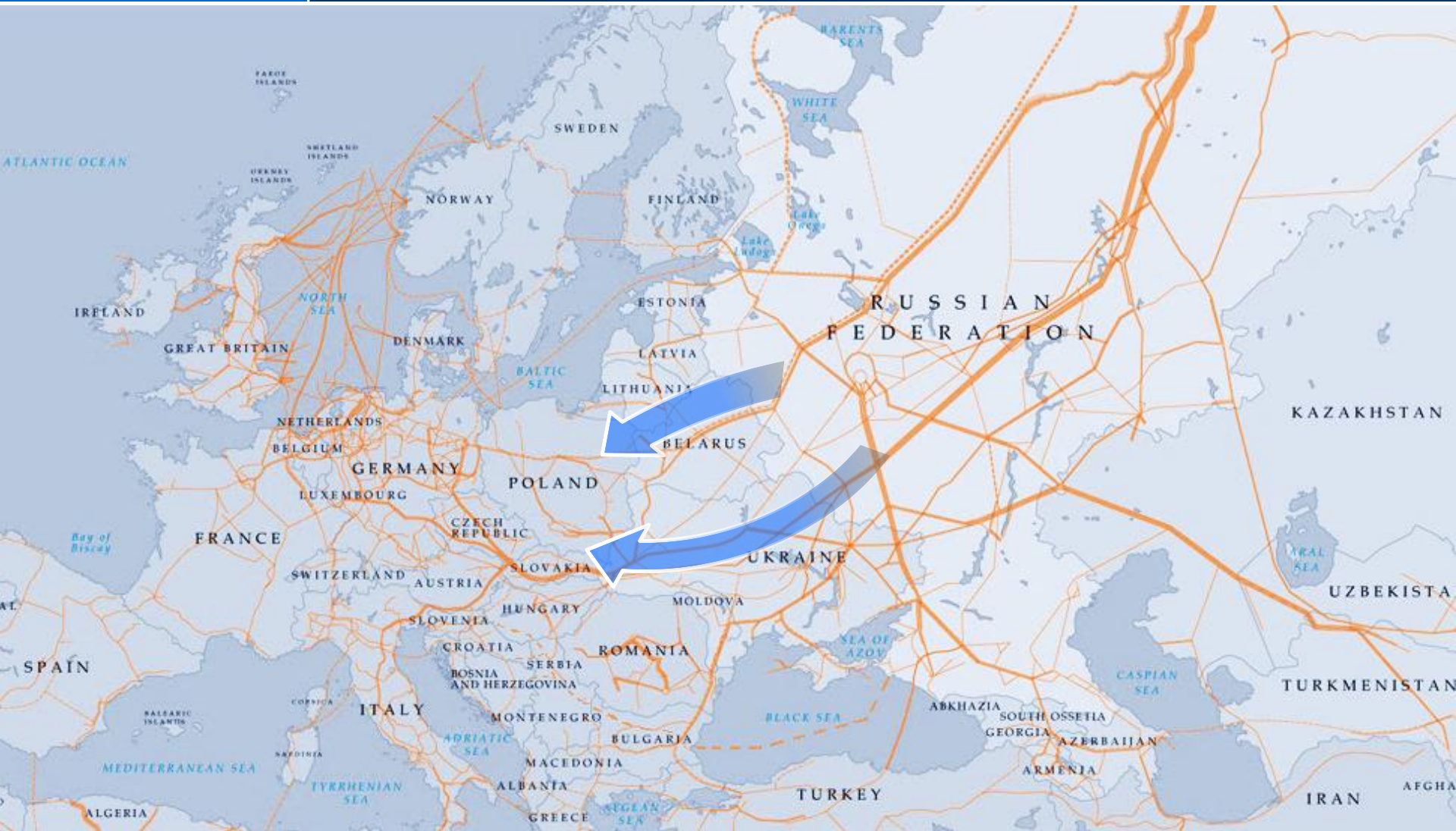


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Gas delivery routes



Gas delivery routes



Gas delivery routes



Gas delivery routes

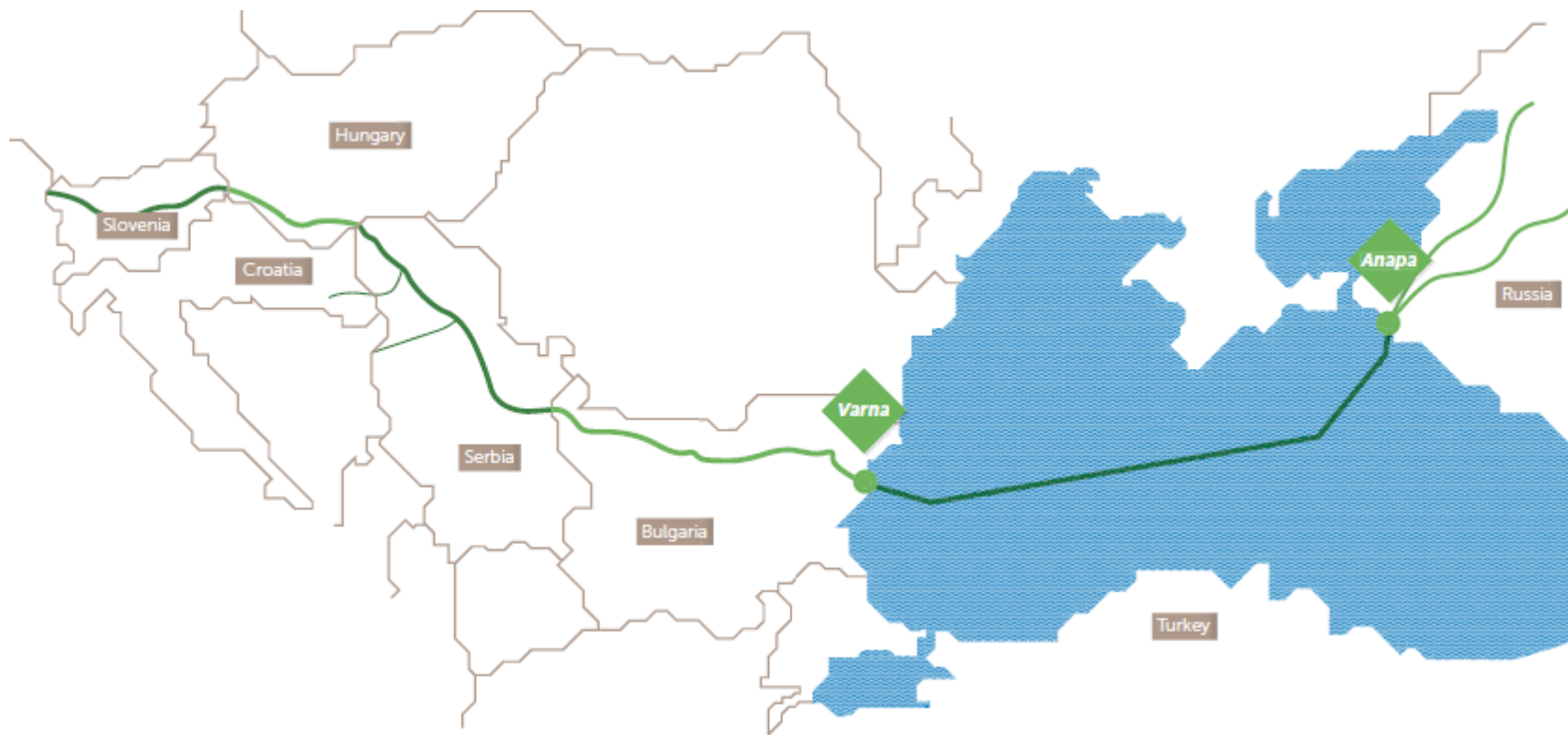




- **Diversification** of the Russian gas supply routes to EU
- **Decrease of transit risk**
- **Guaranteed and stable gas supply to Central and South Europe**
- **Environmentally sound energy source**

Why South Stream?


South Stream project




More than **2350 km** of pipeline length and
8 compressor stations of 753 Megawatt total power
in **5 Countries**

- 1 South Stream Offshore Pipeline**


South Stream Transport B.V.


 - 50% Gazprom (Russia)
 - 20% Eni (Italy)
 - 15% EDF (France)
 - 15% Wintershall (Germany)
- 2 South Stream Pipeline Bulgaria**


South Stream Bulgaria AD


 - 50% Gazprom
 - 50% Bulgarian Energy Holding
- 3 South Stream Pipeline Serbia**


South Stream Serbia AG

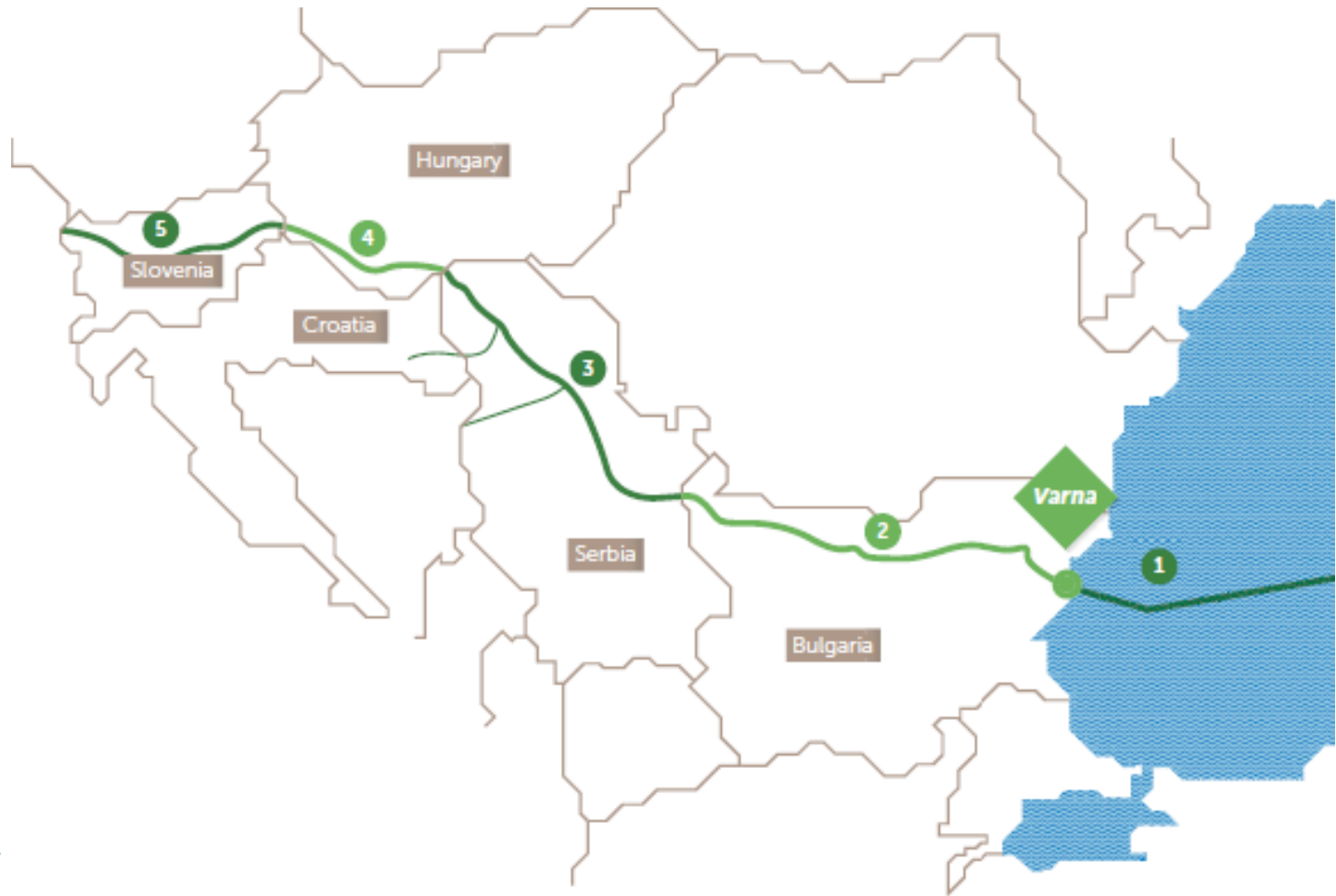

 - 51% Gazprom
 - 49% JP Srbijagas
- 4 South Stream Pipeline Hungary**

South Stream Hungary ZRt


 - 50% Gazprom
 - 50% MVM ZRt (Magyar Villamos Müvek)
- 5 South Stream Pipeline Slovenia**

South Stream Slovenia d.o.o.


 - 50% Gazprom
 - 50% Plinovodi d.o.o.



More than **1450 km** of pipeline length of the on-shore section of the South Stream project

- Resources – gas reserves in Russia
- Fundamental legal framework - Intergovernmental agreements
- Major European energy companies are involved in the project
- Design decisions ensure the safety of construction and operation, preservation of environment in the gas pipeline area, as well as rational use of natural resources
- Organizational and technical measures ensure health and life, lands, soil, waters, flora and fauna defense from any weather impacts and wrongdoings
- Project ensures the development of European gas transportation system, industry and economy



South Stream contribution to European communities:

- direct investments
- new jobs
- new sources of income
- positive impact on business climate



Thank you for your attention!

