

ОАО ГАЗПРОМ

**IFRS CONSOLIDATED
INTERIM CONDENSED
FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2008

**Report on Review of Consolidated Interim Condensed
Financial Information**

To the Shareholders and Board of Directors of OAO Gazprom

Introduction

We have reviewed the accompanying consolidated interim condensed balance sheet of OAO Gazprom and its subsidiaries (the "Group") as of 30 September 2008, and the related consolidated interim condensed statements of income for the three and nine month periods then ended and of cash flows and of changes in equity for the nine months then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information as set out on pages 3 to 32 in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information is not prepared, in all material aspects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

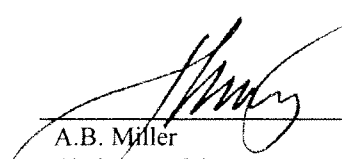
Without qualifying our conclusion, we draw attention to Note 26 to the consolidated interim condensed financial information. The Government of the Russian Federation has a controlling interest in OAO Gazprom and governmental economic and social policies affect the Group's financial position, results of operations and cash flows.

ZAO PricewaterhouseCoopers Audit


Moscow, Russian Federation
25 February 2009

OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UNAUDITED)
AS OF 30 SEPTEMBER 2008
(In millions of Russian Roubles)

Notes	30 September 2008	31 December 2007
Assets		
Current assets		
6	292,517	279,109
6	3,496	12,025
7	19,436	113,911
8	734,449	697,464
9	294,510	245,406
	VAT recoverable	122,558
10	<u>132,945</u>	<u>95,944</u>
	1,592,844	1,566,417
Non-current assets		
11	3,823,373	3,490,477
12	808,000	670,403
13	328,821	402,382
14	51,806	256,210
10,15	<u>382,544</u>	<u>406,667</u>
	<u>5,394,544</u>	<u>5,226,139</u>
	Total assets	6,987,388
	6,987,388	6,792,556
Liabilities and equity		
Current liabilities		
	479,182	485,466
	9,741	23,033
	61,279	50,530
	322,408	504,070
	297	21,455
	<u>872,907</u>	<u>1,084,554</u>
Non-current liabilities		
16	839,145	981,408
23	77,085	79,213
17	320,235	308,353
	5,324	25,931
	<u>1,241,789</u>	<u>1,394,905</u>
	2,114,696	2,479,459
Equity		
18	325,194	325,194
18	(1,234)	(20,801)
	4,229,260	3,646,396
	4,553,220	3,950,789
	319,472	362,308
	<u>4,872,692</u>	<u>4,313,097</u>
	Total liabilities and equity	6,987,388
	6,987,388	6,792,556


A.B. Miller
Chairman of the Management Committee

25 February 2009

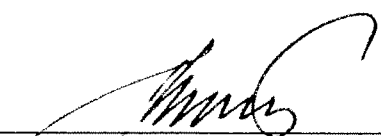

E.A. Vasilieva
Chief Accountant

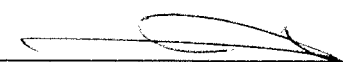
25 February 2009

The accompanying notes are an integral part of this consolidated interim condensed financial information.

OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2008
(In millions of Russian Roubles)

Notes		Three months ended		Nine months ended	
		30 September	30 September	30 September	30 September
		2008	2007	2008	2007
19	Sales	829,749	516,175	2,572,945	1,660,069
20	Operating expenses	<u>(523,670)</u>	<u>(371,028)</u>	<u>(1,550,246)</u>	<u>(1,163,243)</u>
	Operating profit	306,079	145,147	1,022,699	496,826
10	Loss from change in fair value of call option	(70,348)	-	(41,973)	-
	Deconsolidation of NPF Gazfund	-	-	-	44,692
21	Finance income	29,087	51,772	114,692	115,001
21	Finance expenses	<u>(69,311)</u>	<u>(35,893)</u>	<u>(141,236)</u>	<u>(87,021)</u>
12	Share of net income of associated undertakings and jointly controlled entities	15,823	7,295	41,215	22,489
	Gains on disposal of available-for-sale financial assets	<u>9,413</u>	<u>1,139</u>	<u>20,889</u>	<u>19,586</u>
	Profit before profit tax	220,743	169,460	1,016,286	611,573
	Current profit tax expense	(78,818)	(44,532)	(259,348)	(150,366)
	Deferred profit tax expense	<u>398</u>	<u>(488)</u>	<u>(5,262)</u>	<u>(6,717)</u>
	Profit tax expense	<u>(78,420)</u>	<u>(45,020)</u>	<u>(264,610)</u>	<u>(157,083)</u>
	Profit for the period	142,323	124,440	751,676	454,490
	Attributable to:				
	Equity holders of OAO Gazprom	131,653	113,088	705,410	426,268
	Minority interest	<u>10,670</u>	<u>11,352</u>	<u>46,266</u>	<u>28,222</u>
		142,323	124,440	751,676	454,490
22	Basic and diluted earnings per share for profit attributable to the equity holders of OAO Gazprom (in Roubles)	5.57	4.81	29.92	18.21

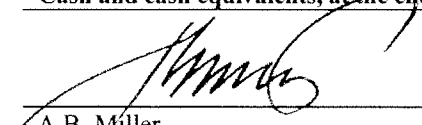

A.B. Miller
Chairman of the Management Committee
25 February 2009

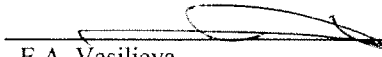

E.A. Vasilieva
Chief Accountant
25 February 2009

The accompanying notes are an integral part of this consolidated interim condensed financial information.

OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008
(In millions of Russian Roubles)

Notes	Nine months ended 30 September	
	2008	2007
	Operating activities	
	Profit before profit tax	1,016,286
	611,573	611,573
	Adjustments to profit before profit tax	
10	Loss from change in fair value of call option	41,973
	Deconsolidation of NPF Gazfund	-
	Loss (gain) from change in fair value of other derivatives	(1,267)
	Depreciation	137,057
	Net unrealised foreign exchange losses (gains)	(24,889)
	Interest expense	54,877
	Interest income	(56,933)
	Gains on disposal of available-for-sale financial assets	(19,586)
	Share of net income of associated undertakings and jointly controlled entities	(22,489)
	Charge for provisions	9,567
	Other	8,619
	Total effect of adjustments	40,264
	Increase in long-term assets	(41,888)
	(Decrease) increase in long-term liabilities	1,119
	Non-cash additions of property, plant and equipment and other long-term financial assets	(54,644)
	Total effect of working capital changes	470,276
	Profit tax paid	(146,642)
	Net cash provided by operating activities	880,058
	Investing activities	
	Capital expenditures	(392,670)
	Investment in associated undertakings and jointly controlled entities	(233,482)
25	Decrease in cash due to Gazprombank Group deconsolidation	-
	Decrease in cash due to NPF Gazfund deconsolidation	(18,518)
	Interest received	49,519
	Change in long-term available-for-sale financial assets	(5,071)
	Other	(6,230)
	Net cash used for investing activities	(606,452)
	Financing activities	
	Proceeds from long-term borrowings (including current portion)	623,200
	Repayment of long-term borrowings (including current portion)	(214,629)
	Net proceeds from (redemption of) short-term borrowings	(22,291)
	Net proceeds from (redemption of) issue of promissory notes	(82,727)
	Interest paid	(59,194)
	Purchases of treasury shares	(540,763)
	Sales of treasury shares	550,229
	Change in restricted cash	(15,320)
	Net cash (used for) provided by financing activities	238,505
	Effect of exchange rate changes on cash and cash equivalents	(4,924)
	Increase in cash and cash equivalents	507,187
6	Cash and cash equivalents, at the beginning of reporting period	269,224
6	Cash and cash equivalents, at the end of reporting period	776,411


A.B. Miller
Chairman of the Management Committee
25 February 2009


E.A. Vasilieva
Chief Accountant
25 February 2009

The accompanying notes are an integral part of this consolidated interim condensed financial information.

1 NATURE OF OPERATIONS

OAQ Gazprom and its subsidiaries (the “Group”) operate one of the largest gas pipeline systems in the world and are responsible for substantially all gas production and high pressure gas transportation in the Russian Federation. The Group is also a major exporter of gas to European countries. The Group is engaged in oil production and refining activities.

The Group is involved in the following principal activities:

- Exploration and production of gas;
- Transportation of gas;
- Domestic and export sale of gas;
- Production of crude oil and gas condensate; and
- Processing of oil, gas condensate and other hydrocarbons, and sales of refined products.

Other activities primarily comprise electric and heat energy generation, construction and banking.

The gas business is subject to seasonal fluctuations with peak demand in the first and fourth quarters of each year. Approximately 20% and 70% of total annual gas volumes are shipped in the three and nine months, ended September 30, respectively.

2 ECONOMIC ENVIRONMENT IN THE RUSSIAN FEDERATION

The Russian Federation displays certain characteristics of an emerging market, including relatively high inflation. Also as discussed in Note 27 the Russian economy has been impacted by the recent turmoil in the financial markets, economic downturn and drop in oil prices. Management is unable to predict all developments which could have an impact on Russia and gas importing countries economics and the banking sector and consequently what effect, if any, they could have on the financial position of the Group.

3 BASIS OF PRESENTATION

The consolidated interim condensed financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). This consolidated interim condensed financial information should be read together with the consolidated financial statements for the year ended 31 December 2007 prepared in accordance with International Financial Reporting Standards (“IFRS”).

The official Russian Rouble (“RR”) to US dollar (“USD”) exchange rates as determined by the Central Bank of the Russian Federation were 25.25 and 24.55 as of 30 September 2008 and 31 December 2007, respectively. The official RR to Euro exchange rates as determined by the Central Bank of the Russian Federation were 36.37 and 35.93 as of 30 September 2008 and 31 December 2007, respectively.

In the first quarter of 2007 the Group ceased to consolidate the non-governmental pension fund, NPF Gazfund.

At the general shareholders meeting of OAO Gazprombank on 24 June 2008, the shareholders elected the new Board of Directors. Five out of twelve newly elected Board members are representatives of OAO Gazprom. As a result of the change in the Board composition effective 24 June 2008 the Group lost its ability to control the financial and operating policies of the bank and its subsidiaries, including OAO Sibur Holding and its subsidiaries and Gazprom-Media Group (the “Gazprombank Group”) and ceased to consolidate OAO Gazprombank and its subsidiaries. As the Group has retained significant influence over Gazprombank Group, it is accounted under the equity method of accounting (see Note 25).

In July 2008, the Group obtained control over OAO WGC-2 and OAO WGC-6 with an ownership interest amounting to 56.6% and 60.2%, respectively (see Note 24). In the interim condensed financial information, management made a preliminary assessment of the acquired assets and liabilities on a provisional basis. Management exercised judgement in determining the fair values of acquired assets and liabilities. Management is required to finalise the accounting within 12 months of the date of acquisition. Any revisions to the provisional values will be reflected as of the acquisition date.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The principal accounting policies followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2007.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (continued)

New accounting developments

In 2008 there were no significant changes implemented in accounting policy. All changes caused by implementation of new standards have been made in accordance with the transition provisions in the respective standards where applicable, otherwise IAS 8 “Accounting policies, changes in accounting estimates and errors” was followed. All standards, amendments and interpretations adopted by the Group require retrospective application. There were no material adjustments required as a result of new accounting pronouncements issued.

In 2008 the Group has adopted all IFRS, amendments and interpretations which are effective 1 January 2008 and which are relevant to its operations.

Effective 1 January 2008, the Group adopted IFRIC 12 “Service Concession Arrangements” (“IFRIC 12”), which is effective for annual periods beginning on or after 1 January 2008. Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services – such as roads, airports and other facilities – to private sector operators. The interpretation addresses how service concession operators should apply existing IFRSs to account for the obligations they undertake and rights they receive in service concession arrangements. The application of IFRIC 12 did not materially affect the Group’s consolidated interim condensed financial information.

The following new Standards and amendments to Standards are not yet effective and have not been applied in preparing this consolidated interim condensed financial information:

- IFRS 8 “Operating Segments” (“IFRS 8”), which is effective for annual periods beginning on or after 1 January 2009. The standard replaces IAS 14 “Segment reporting” (“IAS 14”). The standard requires an entity to adopt the “management approach” to reporting of performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the statement of income and balance sheet. The IFRS therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognized in the statement of income and balance sheet. The Group is currently assessing the impact of the application of IFRS 8 on its consolidated financial information.
- Amendment to IAS 23 “Borrowing costs” (“IAS 23”), which is effective for annual periods beginning on or after 1 January 2009. The amendment to IAS 23 removes the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The application of these amendments is not expected to materially affect the Group’s consolidated financial information.
- IFRIC 13 “Customer Loyalty Programmes” (“IFRIC 13”), which is effective for annual periods beginning on or after 1 July 2008. IFRIC 13 addresses whether the entity’s obligations to provide free or discounted goods or services in the future should be recognized and measured, and if consideration is allocated to the award credits how much should be allocated to them, when revenue should be recognized and, if a third party supplies the awards, how revenue should be measured. The application of IFRIC 13 is not expected to materially affect the Group’s consolidated financial information.
- Amendment to IAS 1 “Presentation of Financial Statements” (“IAS 1”), which is effective for annual periods beginning on or after 1 January 2009. The main change in IAS 1 is the replacement of the statement of income by a statement of comprehensive income which will also include all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. The revised IAS 1 also introduces a requirement to present a statement of financial position (balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors. The Group will apply the amendment from 1 January 2009.
- Amendment to IAS 32 and IAS 1 (“Puttable financial instruments and obligations arising on liquidation”), which is effective from 1 January 2009. The amendment requires classification as equity of some financial instruments that meet the definition of a financial liability. Management does not expect the amendment to materially affect the Group’s consolidated financial information.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (continued)

- Amendment to IAS 27 “Consolidated and Separate Financial Statements” (“IAS 27”), which is effective for annual periods beginning on or after 1 July 2009. The revised IAS 27 will require an entity to attribute total comprehensive income to the owners of the parent and to the non-controlling interests (previously “minority interests”) even if these results in the non-controlling interests having a deficit balance (the current standard requires the excess losses to be allocated to the owners of the parent in most cases). The revised standard specifies that changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions. It also specifies how an entity should measure any gain or loss arising on the loss of control over a subsidiary. At the date when control is lost, any investment retained in the former subsidiary will have to be measured at its fair value. The Group will apply the amendment from 1 January 2010.
- Amendment to IFRS 3 “Business Combinations” (“IFRS 3”), which is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The revised IFRS 3 will allow entities to choose to measure non-controlling interests using the existing IFRS 3 method (proportionate share of the acquiree’s identifiable net assets) or at fair value. The revised IFRS 3 is more detailed in providing guidance on the application of the acquisition method to business combinations. The requirement to measure at fair value every asset and liability at each step in a step acquisition for the purposes of calculating a portion of goodwill has been removed. Instead, goodwill will be measured as the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Acquisition-related costs will be accounted for separately from the business combination and therefore recognised as expenses rather than included in goodwill. An acquirer will have to recognise at the acquisition date a liability for any contingent purchase consideration. Changes in the value of that liability after the acquisition date will be recognised in accordance with other applicable IFRSs, as appropriate, rather than by adjusting goodwill. The revised IFRS 3 brings into its scope business combinations involving only mutual entities and business combinations achieved by contract alone. The Group will apply the new provisions of this standard to any business combination on or after 1 January 2010.
- Amendment to IFRS 2 “Share-based Payment” (“Vesting Conditions and Cancellations”), which is effective for annual periods beginning on or after 1 January 2009. The amendment clarifies that only service conditions and performance conditions are vesting conditions. Other features of a share-based payment are not vesting conditions. The amendment specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The application of the amended standard is not expected to materially affect the consolidated financial information.
- Improvements to International Financial Reporting Standards (issued in May 2008). In 2007, the International Accounting Standards Board decided to initiate an annual improvements project as a method of making necessary, but non-urgent, amendments to IFRS. The amendments issued in May 2008 consist of a mixture of substantive changes, clarifications, and changes in terminology in various standards. The substantive changes relate to the following areas: classification as assets held for sale under IFRS 5 in case of a loss of control over a subsidiary; possibility of presentation of financial instruments held for trading as non-current under IAS 1; accounting for sale of assets which were previously held for rental under IAS 16 and classification of the related cash flows under IAS 7 as cash flows from operating activities; clarification of definition of a curtailment under IAS 19; accounting for below market interest rate government loans in accordance with IAS 20; making the definition of borrowing costs in IAS 23 consistent with the effective interest method; clarification of accounting for subsidiaries held for sale under IAS 27 and IFRS 5; reduction in the disclosure requirements relating to associates and joint ventures under IAS 28 and IAS 31; enhancement of disclosures required by IAS 36; clarification of accounting for advertising costs under IAS 38; amending the definition of the fair value through profit or loss category to be consistent with hedge accounting under IAS 39; introduction of accounting for investment properties under construction in accordance with IAS 40; and reduction in restrictions over manner of determining fair value of biological assets under IAS 41. Further amendments made to IAS 8, 10, 18, 20, 29, 34, 40, 41 and to IFRS 7 represent terminology or editorial changes only, which the IASB believes have no or minimal effect on accounting. Management does not expect the amendments to have any material effect on the Group’s consolidated financial information.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (continued)

- Amendment to IFRS 1 and IAS 27 (“Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate”), which is effective for annual periods beginning on or after 1 January 2009. The amendment allows first-time adopters of IFRS to measure investments in subsidiaries, jointly controlled entities or associates at fair value or at previous GAAP carrying value as deemed cost in the separate financial statements. The amendment also requires distributions from pre-acquisition net assets of investees to be recognized in profit or loss rather than as a recovery of the investment. The amendment will not have a material impact on the Group’s consolidated financial information.
- Amendment to IAS 39 “Financial instruments: recognition and measurement ” (“IAS 39”), which is effective for annual periods beginning on or after 1 July 2009. The amendment to IAS 39 clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The application of this amendment is not expected to materially affect the Group’s consolidated financial information.
- IFRIC 15 “Agreements for the Construction of Real Estate” (“IFRIC 15”), which is effective for annual periods beginning on or after 1 January 2009. IFRIC 15 addresses diversity in accounting for real estate sales as some entities recognise revenue in accordance with IAS 18 “Revenue” (when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11 “Construction Contracts”. The interpretation clarifies which standard (IAS 18 or IAS 11) should be applied to particular transactions and is likely to mean that IAS 18 will be applied to a wider range of transactions. Entities that have previously recognised revenue from residential real estate sales under IAS 11 will be the most significantly affected and will probably be required to apply IAS 18. The application of this interpretation is not expected to materially affect the Group’s consolidated financial information.
- IFRIC 16 “Hedges of a Net Investment in a Foreign Operation” (“IFRIC 16”) which is effective for annual periods beginning on or after 1 October 2008. This interpretation relates to the criteria required to apply hedge accounting in hedge of a net investment in a foreign operation in accordance with IAS 39. The application of this interpretation is not expected to materially affect the Group’s consolidated financial information.
- Amendment to IAS 39 “Financial instruments: Recognition and measurement”, which is effective for annual periods beginning on or after 1 July 2008. The amendment allows the reclassification of certain financial assets previously classified as “held for trading” or “available for sale” to another category under limited circumstances. Various disclosures are required where a reclassification has been made. Derivatives and assets designated as “at fair value through profit or loss” under the fair value option are not eligible for this reclassification. Reclassification cannot be applied retrospectively before 1 July 2008. The Group is currently assessing the impact of the amended standard on its consolidated financial information.
- IFRIC 17 “Distributions of Non-cash assets to owners” (“IFRIC 17”) which is effective for annual periods beginning on or after 1 July 2009. The interpretation provides guidance on accounting of distribution of assets other than cash (non-cash assets) as dividends to its owners acting in their capacity as owners. It also clarifies the situations, when entity gives its owners a choice of receiving either non-cash assets or a cash alternative. The Group will apply the interpretation starting from 1 January 2010.
- IFRIC 18 “Transfers of Assets from customers” (“IFRIC 18”) which is effective for annual periods beginning on or after 1 July 2009. The interpretation clarifies the accounting for transfers of assets from customers, namely, the circumstances in which the definition of an asset is met; the recognition of the asset and the measurement of its cost on initial recognition; the identification of the separately identifiable services (one or more services in exchange for the transferred asset); the recognition of revenue, and the accounting for transfers of cash from customers. The application of this interpretation is not expected to materially affect the Group’s consolidated financial information.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (continued)

Critical accounting estimates and judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates and judgements. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include fair values of financial instruments, the impairment provisions, deferred profit tax, provisions for liabilities and charges, fair values of acquired assets and liabilities and determining whether the Group has the ability to exercise control over certain entities (See Notes 3, 24 and 25).

5 SEGMENT INFORMATION

The Group operates as a vertically integrated business with substantially all external gas sales generated by the gas distribution business. Following the practice suggested by IAS 14, "Segment Reporting" ("IAS 14") for vertically integrated businesses the following business segments are identified within the Group:

- Production of gas – exploration and production of gas;
- Transport – transportation of gas;
- Distribution – domestic and export sale of gas;
- Production of crude oil and gas condensate – exploration of oil and gas condensate, sales of crude oil and gas condensate;
- Refining – processing of oil, gas condensate and other hydrocarbons, and sales of refined products; and
- Other – other activities, including electric and heat energy generation and banking.

These segments are reflected by the Group's organizational structure and the Group's internal financial reporting system.

	Production of gas	Transport	Distribution	Production of crude oil and gas condensate	Refining	Other	Total
Nine months ended 30 September 2008							
Segment revenues							
Inter-segment sales	208,645	404,157	85,642	116,264	5,721	-	820,429
External sales	<u>4,949</u>	<u>46,964</u>	<u>1,577,462</u>	<u>191,085</u>	<u>531,528</u>	<u>220,957</u>	<u>2,572,945</u>
Total segment revenues	213,594	451,121	1,663,104	307,349	537,249	220,957	3,393,374
Segment expenses							
Inter-segment expenses	(5,149)	(54,507)	(597,840)	-	(128,900)	(34,033)	(820,429)
External expenses	<u>(173,428)</u>	<u>(289,931)</u>	<u>(430,939)</u>	<u>(208,497)</u>	<u>(262,105)</u>	<u>(177,230)</u>	<u>(1,542,130)</u>
Total segment expenses	<u>(178,577)</u>	<u>(344,438)</u>	<u>(1,028,779)</u>	<u>(208,497)</u>	<u>(391,005)</u>	<u>(211,263)</u>	<u>(2,362,559)</u>
Segment result	35,017	106,683	634,325	98,852	146,244	9,694	1,030,815
Unallocated operating expenses							<u>(8,116)</u>
Operating profit							1,022,699
Share of net income (loss) of associated undertakings and jointly controlled entities	4,947	511	33,447	6,232	6,636	(10,558)	41,215

OA O GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 SEPTEMBER 2008
(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

	Production of gas	Transport	Distribu- tion	Production of crude oil and gas condensate	Refining	Other	Total
Nine months ended 30 September 2007							
Segment revenues							
Inter-segment sales	179,761	372,789	36,545	69,123	4,577	-	662,795
External sales	<u>4,123</u>	<u>30,560</u>	<u>1,058,275</u>	<u>117,956</u>	<u>351,954</u>	<u>97,201</u>	<u>1,660,069</u>
Total segment revenues	183,884	403,349	1,094,820	187,079	356,531	97,201	2,322,864
Segment expenses							
Inter-segment expenses	(3,726)	(38,573)	(541,153)	-	(79,343)	-	(662,795)
External expenses	<u>(158,207)</u>	<u>(238,186)</u>	<u>(313,610)</u>	<u>(139,419)</u>	<u>(209,833)</u>	<u>(91,329)</u>	<u>(1,150,584)</u>
Total segment expenses	<u>(161,933)</u>	<u>(276,759)</u>	<u>(854,763)</u>	<u>(139,419)</u>	<u>(289,176)</u>	<u>(91,329)</u>	<u>(1,813,379)</u>
Segment result	21,951	126,590	240,057	47,660	67,355	5,872	509,485
Unallocated operating expenses							<u>(12,659)</u>
Operating profit							496,826
Share of net income of associated undertakings and jointly controlled entities	3,054	340	7,883	5,436	5,469	307	22,489
Three months ended 30 September 2008							
Segment revenues							
Inter-segment sales	73,065	129,071	28,119	51,574	1,649	-	283,478
External sales	<u>1,501</u>	<u>15,916</u>	<u>491,446</u>	<u>56,469</u>	<u>178,204</u>	<u>86,213</u>	<u>829,749</u>
Total segment revenues	74,566	144,987	519,565	108,043	179,853	86,213	1,113,227
Segment expenses							
Inter-segment expenses	(1,758)	(15,422)	(196,275)	-	(56,411)	(13,612)	(283,478)
External expenses	<u>(52,031)</u>	<u>(112,801)</u>	<u>(120,187)</u>	<u>(77,210)</u>	<u>(80,841)</u>	<u>(74,597)</u>	<u>(517,667)</u>
Total segment expenses	<u>(53,789)</u>	<u>(128,223)</u>	<u>(316,462)</u>	<u>(77,210)</u>	<u>(137,252)</u>	<u>(88,209)</u>	<u>(801,145)</u>
Segment result	20,777	16,764	203,103	30,833	42,601	(1,996)	312,082
Unallocated operating expenses							<u>(6,003)</u>
Operating profit							306,079
Share of net income (loss) of associated undertakings and jointly controlled entities	1,368	702	14,161	8,577	3,053	(12,038)	15,823

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5 SEGMENT INFORMATION (continued)

	Production of gas	Transport	Distribu- tion	Production of crude oil and gas condensate	Refining	Other	Total
Three months ended 30 September 2007							
Segment revenues							
Inter-segment sales	64,696	130,497	10,478	29,446	1,514	-	236,631
External sales	<u>1,158</u>	<u>9,501</u>	<u>302,947</u>	<u>42,962</u>	<u>130,170</u>	<u>29,437</u>	<u>516,175</u>
Total segment revenues	65,854	139,998	313,425	72,408	131,684	29,437	752,806
Segment expenses							
Inter-segment expenses	(1,305)	(11,110)	(191,081)	-	(33,135)	-	(236,631)
External expenses	<u>(56,455)</u>	<u>(85,094)</u>	<u>(74,306)</u>	<u>(55,716)</u>	<u>(71,918)</u>	<u>(31,125)</u>	<u>(374,614)</u>
Total segment expenses	<u>(57,760)</u>	<u>(96,204)</u>	<u>(265,387)</u>	<u>(55,716)</u>	<u>(105,053)</u>	<u>(31,125)</u>	<u>(611,245)</u>
Segment result	8,094	43,794	48,038	16,692	26,631	(1,688)	141,561
Unallocated operating expenses							<u>3,586</u>
Operating profit							145,147
Share of net income of associated undertakings and jointly controlled entities	769	57	1,266	3,417	1,705	81	7,295

The inter-segment sales mainly consist of:

- Production of gas - sale of gas to the Distribution and Refining segments;
- Transport - rendering transportation services to the Distribution segment;
- Distribution - sale of gas to the Transport segment for own needs and to the Other segment for electric and heat energy generation;
- Production of crude oil and gas condensate - sale of oil and gas condensate to the Refining segment for further processing; and
- Refining - sale of refined hydrocarbon products to other segments.

Internal transfer prices, mostly for Production of gas and Transport segments, are established by the management of the Group with the objective of providing for the specific funding requirements of the individual subsidiaries within each segment. Prices are determined on a cost plus basis.

Included within unallocated operating expenses are corporate expenses, including provision for the impairment of certain financial assets.

6 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Balances included within cash and cash equivalents in the consolidated interim condensed balance sheet represent cash on hand and balances with banks. Restricted cash balances include cash and cash equivalents restricted as to withdrawal under the terms of certain borrowings. As of 30 September 2008 and 31 December 2007 restricted cash comprises cash balances of RR 345 and RR 9,051, respectively, in subsidiary banks, which are restricted as to withdrawal under banking regulations.

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7 SHORT-TERM FINANCIAL ASSETS

	<u>30 September 2008</u>	<u>31 December 2007</u>
Financial assets held for trading	9,975	96,309
Available-for-sale financial assets (net of impairment provision of RR 101 and RR 3,171 as of 30 September 2008 and 31 December 2007, respectively)	<u>9,461</u>	<u>17,602</u>
	<u>19,436</u>	<u>113,911</u>

Financial assets held for trading owned by the Group's banking subsidiaries amounted to RR 6,397 and RR 88,933 as of 30 September 2008 and 31 December 2007, respectively. The assets held for trading as of 31 December 2007 mainly included financial assets of OAO Gazprombank. The bank was deconsolidated in June 2008 (see Note 25).

Financial assets held for trading primarily comprise marketable equity and debt securities intended to generate short-term profits through trading.

Available-for-sale investments primarily comprise debt securities, mainly owned by Group's banking subsidiaries and third parties promissory notes maturing within twelve months of the balance sheet date.

8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<u>30 September 2008</u>	<u>31 December 2007</u>
Trade receivables	405,493	307,311
Prepayments and advances	194,200	120,109
Other receivables	<u>134,756</u>	<u>270,044</u>
	<u>734,449</u>	<u>697,464</u>

Accounts receivable and prepayments are presented net of impairment provision of RR 87,312 and RR 91,048 as of 30 September 2008 and 31 December 2007, respectively.

As of 30 September 2008 and 31 December 2007 other receivables include RR 15,657 and RR 215,926, respectively, relating to the operations of Group's banking subsidiaries. As of 31 December 2007 other receivables of banking subsidiaries were presented by OAO Gazprombank. The bank was deconsolidated in June 2008 (see Note 25). This balance mainly represents deposits with other banks and loans issued to customers at commercial rates based on credit risks and maturities.

9 INVENTORIES

Inventories are presented net of provision for obsolescence of RR 1,410 and RR 1,796 as of 30 September 2008 and 31 December 2007, respectively.

10 OTHER CURRENT ASSETS

In April 2007, ENI S.P.a. (Eni) offered the Group an option to acquire its 20% interest in OAO Gazprom Neft by April 2009, at a price of USD 3.7 billion plus certain financial expenses. As of 30 September 2008 and 31 December 2007 other current assets and other non-current assets include RR 8,765 and RR 50,738, respectively, relating to the fair value of option with Eni.

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11 PROPERTY, PLANT AND EQUIPMENT

	Total production assets (including production licenses)	Social assets	Assets under construction	Total
As of 31 December 2006				
Cost	4,567,453	90,081	374,995	5,032,529
Accumulated depreciation	<u>(1,968,195)</u>	<u>(29,366)</u>	-	<u>(1,997,561)</u>
Net book value as of 31 December 2006	2,599,258	60,715	374,995	3,034,968
Nine months ended 30 September 2007				
Net book value as of 31 December 2006	2,599,258	60,715	374,995	3,034,968
Depreciation	(139,226)	(1,910)	-	(141,136)
Additions	4,035	472	318,746	323,253
Acquisition of subsidiaries	92,754	25	16,575	109,354
Transfers	64,606	115	(64,721)	-
Disposals	(10,311)	(4,396)	(6,666)	(21,373)
Charge for impairment provision	-	-	<u>(2,178)</u>	<u>(2,178)</u>
Net book value as of 30 September 2007	2,611,116	55,021	636,751	3,302,888
Three months ended 31 December 2007				
Net book value as of 30 September 2007	2,611,116	55,021	636,751	3,302,888
Depreciation	(42,811)	(649)	-	(43,460)
Additions	31,038	30	214,081	245,149
Transfers	282,463	2,432	(284,895)	-
Disposals	(3,306)	(1,352)	(11,610)	(16,268)
Release of impairment provision	<u>247</u>	-	<u>1,921</u>	<u>2,168</u>
Net book value as of 31 December 2007	2,878,747	55,482	556,248	3,490,477
As of 31 December 2007				
Cost	5,022,660	83,597	556,248	5,662,505
Accumulated depreciation	<u>(2,143,913)</u>	<u>(28,115)</u>	-	<u>(2,172,028)</u>
Net book value as of 31 December 2007	2,878,747	55,482	556,248	3,490,477
Nine months ended 30 September 2008				
Net book value as of 31 December 2007	2,878,747	55,482	556,248	3,490,477
Depreciation	(147,874)	(1,828)	-	(149,702)
Additions	10,992	83	421,425	432,500
Acquisition of subsidiaries	141,298	-	5,512	146,810
Disposal of subsidiaries	(43,949)	(800)	(27,742)	(72,491)
Transfers	116,616	1,079	(117,695)	-
Disposals	(8,621)	(3,869)	(9,847)	(22,337)
Charge of impairment provision	-	-	<u>(1,884)</u>	<u>(1,884)</u>
Net book value as of 30 September 2008	2,947,209	50,147	826,017	3,823,373
As of 30 September 2008				
Cost	5,210,440	77,065	826,017	6,113,522
Accumulated depreciation	<u>(2,263,231)</u>	<u>(26,918)</u>	-	<u>(2,290,149)</u>
Net book value as of 30 September 2008	2,947,209	50,147	826,017	3,823,373

Production assets are shown net of provision for impairment of RR 2,326 as of 30 September 2008 and 31 December 2007. Assets under construction are presented net of provision for impairment of RR 91,582 and RR 92,060 as of 30 September 2008 and 31 December 2007, respectively.

Included in the property, plant and equipment are social assets, such as rest houses, housing, schools and medical facilities, vested to the Group at privatisation with a net book value of RR 4,470 and RR 7,080 as of 30 September 2008 and 31 December 2007, respectively.

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12 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINTLY CONTROLLED ENTITIES

Notes	Carrying value as of		Group's share of the profit (loss)*	
	30 September 2008	31 December 2007	30 September 2008	2007
	249,384	239,606	(2,910)	2,503
26 Sakhalin Energy Investment Company Ltd.	152,070	145,464	9,518	7,543
26 OAO NGK Slavneft and its subsidiaries	91,890	88,181	3,571	-
26 OAO Tomskneft and its subsidiaries	73,345	68,973	3,924	2,651
26 OAO Novatek	39,208	-	(51)	-
26 OAO TGC-1	33,964	31,339	430	2,320
26 WINGAS GmbH & Co. KG	32,140	-	484	-
26 OAO Beltransgaz	26,749	-	(12,100)	-
25, 26 Gazprombank Group	24,117	-	-	-
Nord Stream AG	19,275	31,131	(83)	362
26 SGT EuRoPol GAZ S.A.	15,988	15,548	440	859
OAO Moscovsky NPZ	10,790	10,259	2,743	-
Wintershall AG	7,819	4,388	3,223	1,724
26 TOO KazRosGaz	3,810	2,843	968	722
ZAO Nortgaz	3,486	-	140	-
OOO Sibmetakhim	3,231	3,571	(5)	83
AO Latvijas Gaze	2,248	2,095	300	326
AO Lietuvos Dujos	1,031	895	110	(22)
Blue Stream Pipeline company B.V.	864	73	25,448	-
26 RosUkrEnergO AG				
Other (net of provision for impairment of RR 2,991 and RR 5,819 as of 30 September 2008 and 31 December 2007, respectively)	16,591	26,037	5,065	3,418
	808,000	670,403	41,215	22,489

* represents Group's share of the profit (loss) of the associated undertakings and jointly controlled entities for the nine months ended 30 September 2008 and 2007, respectively.

Summarized financial information of the Group's principal associated undertakings and jointly controlled entities is as follows:

	Percent of share capital held	Location	As of 30 September 2008		For the nine months ended 30 September 2008	
			Assets	Liabilities	Revenues	Profit (loss)
Gazprombank Group*	45%	Russia	1,433,573	1,238,829	47,833	(26,783)
Sakhalin Energy Investment Company Ltd.	50%	Bermuda	564,745	152,847	-	(5,821)
OAO NGK Slavneft and its subsidiaries	50%	Russia	542,968	207,637	148,551	13,049
OAO Novatek	19%	Russia	138,516	41,224	62,691	20,241
OAO Tomskneft and its subsidiaries	50%	Russia	137,277	74,508	67,741	7,143
RosUkrEnergO AG	50%	Switzerland	124,642	107,185	257,492	14,963
WINGAS GmbH & Co. KG	50%	Germany	115,357	87,450	211,361	2,335
OAO TGC-1**	29%	Russia	72,869	10,469	3,732	(176)
SGT EuRoPol GAZ S.A.	48%	Poland	64,839	24,682	10,199	1,314
Blue Stream Pipeline company B.V.	50%	Netherlands	56,538	52,527	5,121	439
OAO Beltransgaz***	25%	Belarus	46,613	11,845	44,091	1,937
OAO Moscovsky NPZ	39%	Russia	45,736	3,615	7,330	1,140
Wintershall AG	49%	Germany	32,382	20,272	82,794	5,599
AO Latvijas Gaze	34%	Latvia	27,662	11,829	10,868	(14)
AO Lietuvos Dujos	37%	Lithuania	25,974	5,305	11,066	810
Nord Stream AG****	51%	Switzerland	24,804	1,632	-	-
TOO KazRosGaz	50%	Kazakhstan	17,235	1,596	17,489	6,446

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12 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINTLY CONTROLLED ENTITIES
(continued)

	Percent of share capital held	Location	As of 30 September 2008		For the nine months ended 30 September 2008	
			Assets	Liabilities	Revenues	Profit (loss)
ZAO Nortgaz	51%	Russia	10,680	3,211	4,833	1,898
ООО Sibmetakhim*****	50%	Russia	7,091	118	4,096	1,460

*Deconsolidation of Gazprombank Group since 24 June 2008 (see Note 25). Presented revenue of Gazprombank Group is identified according to the Group accounting policy.

** In July 2008 the Group acquired 28.7% interest in OAO TGC-1 for RR 39,219. The revenues and profit of OAO TGC-1 for the nine months ended 30 September 2008 are disclosed from the date of acquisition.

*** In February 2008 the Group purchased 12.5% interest in OAO Beltransgaz for USD 625 million. As a result the Group increased its interest in OAO Beltransgaz up to 25%. The revenues and profit of OAO Beltransgaz for the nine months ended 30 September 2008 are disclosed from the date of acquisition of additional shares.

**** In the first half of 2008 the Group contributed additional RR 21,686 into the charter capital of Nord Stream AG. The Group's interest did not change as a result of this transaction. Revenue and profit of Nord Stream AG are not significant due to the fact that the company is still in the process of constructing the pipeline.

***** Group's share in ООО Sibmetakhim decreased to 50% due to deconsolidation of Gazprombank Group (see Note 25).

	Percent of share capital held	Location	As of 30 September 2007		For the nine months ended 30 September 2007	
			Assets	Liabilities	Revenues	Profit (loss)
Sakhalin Energy Investment Company Ltd.	50%	Bermuda	434,930	74,286	16,465	(32,035)
OAO NGK Slavneft and its subsidiaries	50%	Russia	378,485	92,924	111,497	9,979
RosUkrEnergo AG	50%	Switzerland	111,666	105,103	181,772	5,311
WINGAS GmbH & Co. KG	35%	Germany	104,629	95,907	135,468	6,059
OAO Novatek	19%	Russia	96,577	17,599	45,509	13,670
SGT EuRoPol GAZ S.A.	48%	Poland	58,280	28,110	8,878	644
Blue Stream Pipeline company B.V.	50%	Netherlands	56,101	52,624	5,036	(87)
OAO Moscovsky NPZ	39%	Russia	45,150	3,615	7,390	2,213
AO Lietuvos Dujos	37%	Lithuania	24,342	4,801	6,631	879
AO Latvijas Gaze	34%	Latvia	23,084	8,217	7,162	243
TOO KazRosGaz	50%	Kazakhstan	8,350	1,333	10,765	3,447
ZAO Nortgaz	51%	Russia	7,036	1,169	4,158	1,415

The values, disclosed in the table above, represent total assets, liabilities, revenues, profit (loss) of the Group's principal associated undertakings and jointly controlled entities and not the Group's share.

The estimated fair values of investments in associated undertakings for which there are published price quotations were as follows:

	30 September 2008	31 December 2007
OAO Novatek	66,154	111,149
AO Latvijas Gaze	4,187	7,161
AO Lietuvos Dujos	6,484	6,365

13 LONG-TERM ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 September 2008	31 December 2007
Long-term accounts receivable and prepayments	106,444	270,430
Advances for assets under construction	222,377	131,952
	328,821	402,382

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13 LONG-TERM ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

Long-term accounts receivable and prepayments are presented net of impairment provision of RR 10,907 and RR 17,634 as of 30 September 2008 and 31 December 2007, respectively.

As of 30 September 2008 and 31 December 2007 long-term accounts receivable included RR 8,308 and RR 180,620, relating to the operations of Group's banking subsidiaries, respectively. As of 31 December 2007 long-term accounts receivable of the banking subsidiaries were mainly presented by OAO Gazprombank. The bank was deconsolidated in June 2008 (see Note 25). This balance mainly represents deposits and long-term loans issued to customers at commercial rates based on credit risk and maturities.

14 AVAILABLE-FOR-SALE LONG-TERM FINANCIAL ASSETS

Available-for-sale long-term financial assets, in total amount of RR 51,806 and RR 256,210, are shown net of provision for impairment of RR 2,604 and RR 2,467 as of 30 September 2008 and 31 December 2007, respectively.

Available-for-sale long-term financial assets owned by the Group's banking subsidiaries amounted to RR 14,154 and RR 35,877 as of 30 September 2008 and 31 December 2007, respectively. Available-for-sale long-term financial assets as of 31 December 2007 mainly included financial assets of OAO Gazprombank. The bank was deconsolidated in June 2008 (see Note 25).

15 OTHER NON-CURRENT ASSETS

Other non current assets include net pension assets in the amount of RR 238,760 and RR 243,982 as of 30 September 2008 and 31 December 2007, respectively.

16 LONG-TERM BORROWINGS

	Currency	Final Maturity	30 September 2008	31 December 2007
Long-term borrowings payable to:				
Loan participation notes issued in October 2007 ¹	Euro	2018	45,463	43,651
ABN AMRO	US dollar	2013	44,536	44,334
Loan participation notes issued in June 2007 ¹	GBP	2013	42,426	39,435
ABN AMRO ²	US dollar	2012	42,199	49,614
Credit Suisse International	US dollar	2018	41,705	-
Calyon Credit Agricole CIB ²	US dollar	2010	40,450	54,289
Loan participation notes issued in December 2005 ¹	Euro	2012	37,715	36,033
Loan participation notes issued in May 2005 ¹	Euro	2015	37,082	37,165
Loan participation notes issued in September 2003 ¹	Euro	2010	36,401	36,668
Loan participation notes issued in November 2006 ¹	US dollar	2016	34,841	33,360
Loan participation notes issued in March 2007 ¹	US dollar	2022	32,963	32,568
Loan participation notes issued in August 2007 ¹	US dollar	2037	31,845	31,521
Loan participation notes issued in April 2004 ¹	US dollar	2034	31,406	29,900
Loan participation notes issued in October 2006 ¹	Euro	2014	29,222	29,225
Loan participation notes issued in April 2008 ¹	US dollar	2018	28,839	-
Loan participation notes issued in June 2007 ¹	Euro	2014	26,713	25,382
Deutsche Bank AG	US dollar	2014	26,280	29,618
Structured export notes issued in July 2004 ³	US dollar	2020	25,709	28,645
WestLB AG ²	US dollar	2013	25,503	-
Citibank International PLC ²	US dollar	2008	22,115	43,051
Loan participation notes issued in March 2007 ¹	Euro	2017	19,088	18,127
Loan participation notes issued in November 2006 ¹	Euro	2017	18,679	18,685

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16 **LONG-TERM BORROWINGS (continued)**

	Currency	Final Maturity	30 September 2008	31 December 2007
Salomon Brothers AG	US dollar	2009	18,487	17,524
ABN AMRO ²	US dollar	2010	18,216	24,429
Dresdner Bank AG ²	US dollar	2010	17,882	23,283
Credit Suisse International	Euro	2009	14,640	14,467
Credit Suisse International	US dollar	2017	13,411	12,877
Salomon Brothers AG	US dollar	2009	12,913	12,903
Loan participation notes issued in July 2008 ¹	US dollar	2013	12,766	-
Credit Suisse International	US dollar	2009	12,470	12,292
Loan participation notes issued in April 2008 ¹	US dollar	2013	10,449	-
OOO Aragon	Euro	2010	10,226	9,882
Credit Suisse International	Euro	2010	9,260	9,036
Deutsche Bank AG	US dollar	2011	8,604	8,718
JP Morgan Chase bank	Rouble	2010	8,603	11,833
Credit Suisse International	Euro	2008	7,406	7,246
Loan participation notes issued in November 2007 ¹	JPY	2012	6,750	6,457
ABN AMRO ²	US dollar	2013	6,318	-
Citibank International PLC	US dollar	2009	5,899	10,908
Credit Suisse International	US dollar	2009	5,259	4,931
Liberty Hampshire Corporation	Rouble	2009	5,146	5,067
Russian bonds issued in November 2006	Rouble	2011	5,146	5,058
Russian bonds issued in November 2006	Rouble	2009	5,141	5,056
Russian bonds issued in February 2005	Rouble	2010	5,054	5,155
Russian bonds issued in August 2005	Rouble	2009	5,051	5,137
BNP Paribas SA	US dollar	2008	5,050	4,913
Russian bonds issued in February 2007	Rouble	2014	5,041	5,130
Russian bonds issued in July 2007 ⁵	Rouble	2010	4,995	-
Russian bonds issued in September 2006 ⁶	Rouble	2011	4,882	5,107
Russian bonds issued in March 2006 ⁶	Rouble	2016	4,753	5,129
JP Morgan Chase bank	US dollar	2011	4,515	4,942
Loan participation notes issued in November 2007 ¹	JPY	2010	4,495	4,303
ABN AMRO	US dollar	2009	4,217	4,105
Wintershall Holding AG ⁴	Euro	2010	4,202	4,063
Dresdner Bank AG ²	US dollar	2008	3,972	15,516
Gazstream S.A.	US dollar	2010	3,930	5,673
Gazstream S.A.	US dollar	2012	3,874	4,768
Wintershall Holding AG ⁴	Rouble	2013	3,000	3,000
Russian bonds issued in April 2007 ⁵	Rouble	2012	2,874	-
Mannesmann (Deutsche Bank AG) ²	Euro	2008	1,544	3,011
Deutsche Bank AG	US dollar	2009	1,140	1,672
Credit Suisse International	US dollar	2008	-	40,250
Eurobonds issued in September 2005 ⁷	US dollar	2015	-	24,768
Eurobonds issued in October 2003 ⁷	US dollar	2008	-	18,607
Eurobonds issued in April 2007 ⁷	US dollar	2010	-	17,145
Depfa Bank ²	US dollar	2008	-	12,590
Sumitomo Mitsui Banking Corporation Europe Limited ²	US dollar	2008	-	12,326
Credit Suisse International	US dollar	2008	-	12,041

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16 LONG-TERM BORROWINGS (continued)

	Currency	Final Maturity	30 September 2008	31 December 2007
Eurobonds issued in February 2007 ⁷	Rouble	2010	-	10,219
Eurobonds issued in January 2004 ⁷	US dollar	2008	-	7,443
Credit Suisse International	Euro	2008	-	7,279
Wintershall Holding AG ⁴	Rouble	2008	-	6,975
ABN AMRO ²	US dollar	2008	-	5,674
ABN AMRO ²	US dollar	2008	-	4,450
Other long-term borrowings	Various	Various	<u>49,973</u>	<u>130,922</u>
Total long-term borrowings			1,058,734	1,255,551
Less: current portion of long-term borrowings			<u>(219,589)</u>	<u>(274,143)</u>
			839,145	981,408

¹ Issuer of these bonds is Gaz Capital S.A.

² Loans received from syndicate of banks, named lender is the bank-agent.

³ Issuer of these notes is Gazprom International S.A.

⁴ Loans were obtained for development of Yuzhno-Russkoye oil and gas field.

⁵ Issuers of these notes are OAO WGC-2 and OAO WGC-6.

⁶ Issuer of these bonds is OAO Mosenergo.

⁷ Issuer of these bonds is OAO Gazprombank.

	30 September 2008	31 December 2007
Due for repayment:		
Between one and two years	157,295	188,171
Between two and five years	232,801	277,673
After five years	<u>449,049</u>	<u>515,564</u>
	839,145	981,408

Long-term borrowings include fixed rate loans with a carrying value of RR 796,443 and RR 869,194 and fair value of RR 710,214 and RR 871,253 as of 30 September 2008 and 31 December 2007, respectively. All other long-term borrowings generally have variable interest rates linked to LIBOR, and the carrying amounts approximate fair value.

As of 30 September 2008 and 31 December 2007 long-term borrowings include RR 15,365 (including current portion of nil) and RR 162,259 (including current portion of RR 20,611), relating to the operations of Group's banking subsidiaries, respectively. Gazprombank was deconsolidated in June 2008 (see Note 25).

As of 30 September 2008 and 31 December 2007 long-term borrowings, including current portion, of RR 25,709 and RR 28,645, respectively, were secured by gas sales contracts to Western Europe.

17 PROFIT TAX

Differences between the recognition criteria in Russian statutory taxation regulations and IFRS give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for profit tax purposes. The tax effect of the movement on these temporary differences is recorded at the statutory rate of 24%.

	Differences			Differences		
	30 September 2008	recognition and reversals	31 December 2007	30 September 2007	recognition and reversals	31 December 2006
Tax effects of taxable temporary differences:						
Property, plant and equipment	(303,050)	(36,085)	(266,965)	(262,333)	(20,594)	(241,739)
Financial assets	(19,382)	21,778	(41,160)	(40,717)	(2,605)	(38,112)
Inventories	<u>(2,482)</u>	<u>1,519</u>	<u>(4,001)</u>	<u>(4,148)</u>	<u>(3,959)</u>	<u>(189)</u>
	(324,914)	(12,788)	(312,126)	(307,198)	(27,158)	(280,040)
Tax effects of deductible temporary differences:						
Tax losses carry forward	1,247	270	977	1,759	53	1,706
Other deductible temporary differences	<u>3,432</u>	<u>636</u>	<u>2,796</u>	<u>3,062</u>	<u>236</u>	<u>2,826</u>
	4,679	906	3,773	4,821	289	4,532
Total net deferred tax liabilities	(320,235)	(11,882)	(308,353)	(302,377)	(26,869)	(275,508)

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18 EQUITY

Share capital

Share capital authorised, issued and paid totals RR 325,194 as of 30 September 2008 and 31 December 2007 and consists of 23.7 billion ordinary shares, each with a historical par value of 5 Russian Roubles.

Treasury shares

As of 30 September 2008 and 31 December 2007, subsidiaries of OAO Gazprom held 32 million and 66 million, respectively, of the ordinary shares of OAO Gazprom, which are accounted for as treasury shares.

The management of the Group controls the voting rights of these shares.

19 SALES

	Three months ended		Nine months ended	
	30 September		30 September	
	2008	2007	2008	2007
Gas sales (including excise tax, customs duties and net of VAT) to customers in:				
Russian Federation	75,913	61,377	340,186	275,677
Former Soviet Union (excluding Russian Federation)	90,446	59,265	267,677	204,666
Far abroad	<u>421,184</u>	<u>248,893</u>	<u>1,294,769</u>	<u>782,631</u>
Gross sales of gas	587,543	369,535	1,902,632	1,262,974
Excise tax	(80)	(42)	(80)	(96)
Customs duties	<u>(94,516)</u>	<u>(65,388)</u>	<u>(320,141)</u>	<u>(200,480)</u>
Net sales of gas	492,947	304,105	1,582,411	1,062,398
Sales of refined products to customers in:				
Russian Federation	104,507	73,379	298,209	192,667
Former Soviet Union (excluding Russian Federation)	12,024	12,955	35,724	31,709
Far abroad	<u>61,673</u>	<u>43,836</u>	<u>197,595</u>	<u>127,578</u>
Total sales of refined products	178,204	130,170	531,528	351,954
Sales of crude oil and gas condensate to customers in:				
Russian Federation	6,377	10,267	24,184	23,817
Former Soviet Union (excluding Russian Federation)	8,395	4,928	23,844	13,339
Far abroad	<u>41,697</u>	<u>27,767</u>	<u>143,057</u>	<u>80,800</u>
Total sales of crude oil and gas condensate	56,469	42,962	191,085	117,956
Electric and heat energy sales	59,997	12,747	130,903	18,854
Gas transportation sales	15,916	9,501	46,964	30,560
Other revenues	<u>26,216</u>	<u>16,690</u>	<u>90,054</u>	<u>78,347</u>
Total sales revenue	829,749	516,175	2,572,945	1,660,069

20 OPERATING EXPENSES

Note	Three months ended		Nine months ended	
	30 September		30 September	
	2008	2007	2008	2007
	180,893	83,622	464,941	272,058
26 Purchased oil and gas	61,352	48,496	185,741	146,570
Taxes other than on income	54,676	48,355	184,801	156,754
Staff costs	45,791	44,033	145,538	137,057
Depreciation	45,028	35,788	138,185	112,851
Transit of gas, oil and refined products	44,335	33,956	101,136	79,435
Repairs and maintenance	33,214	15,300	92,286	36,478
Cost of goods for resale, including refined products	18,143	21,056	63,033	66,610
Materials	9,842	9,308	39,127	32,056
Electricity and heating expenses	5,302	4,855	13,619	11,836
Social expenses	3,634	(3,396)	12,140	(618)
Charge for (release of) impairment provisions	3,925	3,114	11,182	8,787
Insurance expenses	2,712	4,664	9,017	12,817
Rental expense	<u>14,823</u>	<u>21,877</u>	<u>89,500</u>	<u>90,552</u>
Other	523,670	371,028	1,550,246	1,163,243
Total operating expenses				

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20 OPERATING EXPENSES

Staff costs include RR 5,123 and RR 14,345 of expenses associated with pension obligations for the three and nine months ended 30 September 2008, respectively, and RR 3,395 and RR 10,185 for the three and nine months ended 30 September 2007, respectively.

21 FINANCE INCOME AND EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2008	2007	2008	2007
Exchange gains	24,367	33,090	73,066	57,033
Interest income	4,715	18,659	41,605	56,933
Gains on extinguishment of restructured liabilities	<u>5</u>	<u>23</u>	<u>21</u>	<u>1,035</u>
Total finance income	29,087	51,772	114,692	115,001

	Three months ended 30 September		Nine months ended 30 September	
	2008	2007	2008	2007
Exchange losses	60,209	16,244	92,633	32,144
Interest expense	<u>9,102</u>	<u>19,649</u>	<u>48,603</u>	<u>54,877</u>
Total finance expenses	69,311	35,893	141,236	87,021

22 BASIC AND DILUTED EARNINGS PER SHARE, ATTRIBUTABLE TO SHAREHOLDERS OF OAO GAZPROM

Earnings per share have been calculated by dividing the profit, attributable to equity shareholders of OAO Gazprom by the weighted average number of shares outstanding during the period, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares (see Note 18).

There were 23.6 billion weighted average shares outstanding for the three and nine months ended 30 September 2008, and 23.5 billion and 23.4 billion weighted average shares outstanding for the three and nine months ended 30 September 2007, respectively.

There are no dilutive financial instruments outstanding.

23 PROVISIONS FOR LIABILITIES AND CHARGES

	30 September 2008	31 December 2007
Provision for environmental liabilities	53,943	51,604
Provision for pension obligations	23,077	20,738
Other	<u>65</u>	<u>6,871</u>
	77,085	79,213

The Group operates a defined benefit plan, concerning the majority employees of the Group. These benefits include pension benefits provided by the non-governmental pension fund, NPF Gazfund, and certain post-retirement benefits from the Group at their retirement date.

The net pension assets related to benefits, provided by the pension plan NPF Gazfund in the amount of RR 238,760 and RR 243,982 as of 30 September 2008 and 31 December 2007, respectively, are presented within other non-current assets in the consolidated balance sheet. In accordance with IAS 19, pension assets are recorded at estimated fair market values subject to certain limitations. As of 30 September 2008 and 31 December 2007 management estimated the fair value of these assets at approximately RR 429 billion and RR 583 billion, respectively. The pension assets comprise shares of OAO Gazprom, shares of OAO Gazprombank and other assets held by NPF Gazfund.

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24 ACQUISITION OF THE CONTROLLING INTEREST IN OAO WGC-2 and OAO WGC-6

In October 2007, the Group purchased 12.2% of the voting shares of OAO WGC-2 for cash of RR 16 billion. In December 2007, the Group purchased 17.1% of the voting shares of OAO WGC-6 for cash of RR 21 billion. As a result of the restructuring of RAO UES in July 2008 the Group exchanged its shares in RAO UES for interest in certain companies, including additional 44.4% interest in OAO WGC-2 and additional 42.9% interest in OAO WGC-6. As a result the Group obtained control over OAO WGC-2 and OAO WGC-6 with an ownership interest amounting to 56.6% and 60.0%, respectively.

In accordance with IFRS 3 “Business Combinations”, the Group recognized the acquired assets and liabilities based upon their fair values. In the interim condensed financial information, management made a preliminary assessment on a provisional basis. Management is required to finalise the accounting within 12 months of the date of acquisition. Any revisions to the provisional values will be reflected as of the acquisition date.

Details of the assets and liabilities acquired are as follows:

	OAO WGC-2		OAO WGC-6	
	Book value 01.07.2008	Preliminary fair value 01.07.2008	Book value 01.07.2008	Preliminary fair value 01.07.2008
Cash and cash equivalents	1,515	1,515	41	41
Accounts receivable and prepayments	2,095	2,095	2,740	2,740
Inventories	2,355	2,355	4,079	4,079
Other current assets	<u>2,580</u>	<u>2,580</u>	<u>11,389</u>	<u>11,389</u>
Current assets	8,545	8,545	18,249	18,249
Property, plant and equipment	17,701	70,742	28,930	76,068
Long-term accounts receivable and prepayments	20,238	20,238	5,974	5,974
Other non-current assets	<u>3,906</u>	<u>3,906</u>	<u>46</u>	<u>46</u>
Non-current assets	41,845	94,886	34,950	82,088
Total assets	50,390	103,431	53,199	100,337
Accounts payable and accrued charges	<u>5,819</u>	<u>5,819</u>	<u>5,229</u>	<u>5,229</u>
Current liabilities	5,819	5,819	5,229	5,229
Long-term borrowings	4,882	4,882	2,874	2,874
Deferred tax liabilities	2,578	15,308	3,705	15,018
Other non-current liabilities	<u>377</u>	<u>377</u>	<u>652</u>	<u>652</u>
Non-current liabilities	7,837	20,567	7,231	18,544
Total liabilities	13,656	26,386	12,460	23,773
Net assets at control acquisition date	36,734	77,045	40,739	76,564
Fair value of net assets at acquisition date		77,045		76,564
Fair value of the Group’s interest		43,623		45,954
Purchase consideration		<u>43,623</u>		<u>45,954</u>
Goodwill		-		-

The purchase consideration includes the amount paid in cash for the acquisition of minority shares in October and December 2007 and shares received as distribution from RAO UES in July 2008.

OAO WGC-2 contributed revenue of RR 9,156 and loss of RR 3,375 to the Group for the period from the date of acquisition to 30 September 2008. OAO WGC-6 contributed revenue of RR 11,542 and loss of RR 1,200 to the Group for the period from the date of acquisition to 30 September 2008. If the acquisition had occurred on 1 January 2008, the Group’s revenue for the nine months ended 30 September 2008 would have been RR 2,604,937. The Group’s profit for the nine months ended 30 September 2008 would have been RR 740,795.

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25 DECONSOLIDATION OF GAZPROMBANK GROUP

As discussed in Note 3 the Group lost the ability to control the financial and operating policies of Gazprombank Group on 24 June 2008. At that date the bank and its subsidiaries were deconsolidated from the financial statements of the Group. The deconsolidation has resulted in the decrease/(increase) in the following line items of the consolidated interim condensed balance sheet:

Current assets	
Cash and cash equivalents	47,242
Restricted cash	14,866
Short-term financial assets	88,277
Accounts receivable and prepayments	252,017
Inventories	21,432
VAT recoverable	8,763
Other current assets	<u>32,602</u>
	465,199
Non-current assets	
Property, plant and equipment	72,491
Investments in associated undertakings and jointly controlled entities	46,142
Long-term accounts receivable and prepayments	221,041
Available-for-sale long-term financial assets	20,437
Other non-current assets	<u>15,080</u>
	375,191
Total assets	<u>840,390</u>
Liabilities and equity	
Current liabilities	
Accounts payable and accrued charges	221,351
Current profit tax payable	195
Other taxes payable	6,100
Short-term borrowings and current portion of long-term borrowings	246,140
Short-term promissory notes payable	<u>25,007</u>
	498,793
Non-current liabilities	
Long-term borrowings	164,985
Provisions for liabilities and charges	1,421
Deferred tax liabilities	(5,910)
Other non-current liabilities	<u>18,415</u>
	178,911
Total liabilities	677,704
Equity	
Treasury shares	(26,751)
Retained earnings and other reserves	<u>-</u>
	(26,751)
Minority interest	<u>148,035</u>
Total equity	<u>121,284</u>
Total liabilities and equity	<u>798,988</u>
Recognition of investment in Gazprombank Group as investment in associated undertaking	<u>41,402</u>

The deconsolidation of Gazprombank Group did not have a material impact on the consolidated interim condensed statement of income for the six months ended 30 June 2008.

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26 RELATED PARTIES

For the purpose of this consolidated interim condensed financial information, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions as defined by IAS 24 “Related Party Disclosures”.

Government

The Government of the Russian Federation is the ultimate controlling party of OAO Gazprom and has a controlling interest (including both direct and indirect ownership) of over 50% in OAO Gazprom. The Government does not prepare consolidated financial statements for public use. The 11 seats on the Board of Directors include six State representatives. Governmental economic and social policies affect the Group’s financial position, results of operations and cash flows.

As a condition of privatisation in 1992, the Government imposed an obligation on the Group to provide an uninterrupted supply of gas to customers in the Russian Federation at government controlled prices.

Parties under control of the Government

In the normal course of business the Group enters into transactions with other entities under Government control. Prices of natural gas sales and electricity tariffs in Russia are regulated by the Federal Tariffs Service (“FTS”). Bank loans with related parties are provided on the basis of market rates. Taxes are accrued and settled in accordance with Russian tax legislation.

As of 30 September 2008 and 31 December 2007 and for the three and nine months ended 30 September 2008 and 2007 the Group had the following significant transactions and balances with the Government and parties under control of the Government:

Notes	As of 30 September 2008		Three months ended 30 September 2008		Nine months ended 30 September 2008		
	Assets	Liabilities	Income	Expenses	Income	Expenses	
	Transactions and balances with the Government						
	Current profit tax	18,086	9,741	-	78,818	-	259,348
	Unified social tax	345	1,515	-	5,285	-	24,892
	VAT recoverable/payable	208,369	29,561	-	-	-	-
	Customs duties	65,577	-	-	-	-	-
20	Other taxes	1,004	30,316	-	61,352	-	185,741
	Transactions and balances with other parties under control of the Government						
	Gas sales	-	-	4,028	-	91,590	-
	Electricity sales	-	-	12,656	-	53,146	-
	Other services sales	-	-	577	-	1,619	-
	Accounts receivable	4,691	-	-	-	-	-
	Oil transportation expenses	-	-	-	19,166	-	46,636
	Accounts payable	-	2,817	-	-	-	-
	Loans	-	2,679	-	-	-	-
	Interest income/expense	-	-	-	35	854	636
	Short-term financial assets	3,469	-	-	-	-	-
	Available-for-sale long-term financial assets	14,612	-	-	-	-	-

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26 RELATED PARTIES (continued)

Notes	As of 31 December 2007		Three months ended 30 September 2007		Nine months ended 30 September 2007	
	Assets	Liabilities	Income	Expenses	Income	Expenses
	Transactions and balances with the Government					
	9,378	23,033	-	44,532	-	150,366
	583	1,319	-	4,893	-	22,630
	190,560	17,000	-	-	-	-
	20,323	-	-	-	-	-
20	4,311	32,389	-	48,496	-	146,570
	Transactions and balances with other parties under control of the Government					
	-	-	30,676	-	132,215	-
	-	-	8,911	-	8,911	-
	44,373	-	-	-	-	-
	-	-	-	10,966	-	33,322
	-	21,328	-	-	-	-
	-	28,007	-	-	-	-
	-	-	217	130	1,027	1,145
	15,030	-	-	-	-	-
	-	-	-	-	-	125
	159,211	-	-	-	-	-

Gas sales and respective accounts receivable, oil transportation expenses and respective accounts payable included in the table above are related to major State controlled utility companies.

In the normal course of business the Group incurs electricity and heating expenses (see Note 20). A part of these expenses relates to purchases from the entities under Government control. Due to specifics of electricity market in Russian Federation, these purchases can not be accurately separated from the purchases from private companies.

See consolidated interim condensed statement of changes in equity for returns of social assets to governmental authorities during the nine months ended 30 September 2008 and 2007. See Note 11 for net book values as of 30 September 2008 and 31 December 2007 of social assets vested to the Group at privatisation.

See Note 27 for financial guarantees issued by the Group to the associated undertakings and jointly controlled entities.

Compensation for key management personnel

Key management personnel (the members of the Board of Directors and Management Committee of OAO Gazprom) receive short-term compensation, including salary, bonuses and remuneration for serving on the management bodies of various Group companies. Government officials, who are directors, do not receive remuneration from the Group. The remuneration for serving on the Boards of Directors of Group companies is subject to approval by the General Meeting of Shareholders of each Group company. Compensation of key management personnel (other than remuneration for serving as directors of Group companies) is determined by the terms of the employment contracts. Key management personnel also receive certain short-term benefits related to healthcare.

According to Russian legislation, the Group makes contributions to the Russian Federation State pension fund for all of its employees including key management personnel. Key management personnel also participate in certain post-retirement benefit programs. The programs include pension benefits provided by the non-governmental pension fund, NPF Gazfund, and a one-time retirement payment from the Group. Employees of the majority of Group companies are eligible for such benefits.

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26 RELATED PARTIES (continued)

Associated undertakings and jointly controlled entities

For the three and nine months ended 30 September 2008 and 2007 and as of 30 September 2008 and 31 December 2007 the Group had the following significant transactions and balances with associated undertakings and jointly controlled entities:

	Three months ended 30 September		Nine months ended 30 September	
	2008	2007	2008	2007
Gas sales	Revenues	Revenues	Revenues	Revenues
RosUkrEnergO AG	58,012	37,307	165,067	121,888
Wintershall Erdgas Handelshaus GmbH & Co. KG	24,423	15,317	84,397	44,530
ZAO Panrusgaz	16,688	7,400	50,212	30,813
OAo Beltransgaz*	14,607	-	39,911	-
WINGAS GmbH & Co. KG	14,020	10,356	39,650	29,900
Wintershall Erdgas Handelshaus Zug AG	10,190	4,654	22,386	14,952
AO Gazum	6,143	3,385	18,286	11,503
Promgaz SPA	3,708	1,329	10,281	5,524
GWH-Gaz und Warenhandels GmbH	2,435	1,261	7,497	3,892
AO Moldovagaz	1,562	1,060	5,408	4,388
OAo TGC-1**	1,769	-	1,769	-
OAo Mosenergo***	-	-	-	19,566
Gas transportation sales				
RosUkrEnergO AG	5,664	2,664	16,727	8,642
OAo Novatek	3,057	1,950	8,729	6,130
Crude oil and refined products sales				
OAo NGK Slavneft and its subsidiaries	4,031	3,142	13,441	8,880
Gas processing sales				
TOO KazRosGaz	804	793	2,759	2,338
Purchased gas	Expenses	Expenses	Expenses	Expenses
RosUkrEnergO AG	11,791	162	22,721	25,169
TOO KazRosGaz	4,070	2,878	11,832	9,162
OAo Novatek	1,472	740	4,342	2,980
Purchased transit of gas				
SGT EuRoPol GAZ S.A.	2,969	2,789	9,636	8,007
OAo Beltransgaz*	3,299	-	7,927	-
Purchased crude oil and refined products				
OAo NGK Slavneft and its subsidiaries	21,980	17,241	66,038	44,445
OAo Tomskneft and its subsidiaries	10,727	-	26,865	-
Purchased processing services				
OAo NGK Slavneft and its subsidiaries	1,718	1,250	4,256	3,832

* The figures for gas sales and purchased transit of gas are shown from the date of acquisition of additional share in OAo Beltransgaz (see Note 12).

** The figures for gas sales are shown from the date of acquisition of share in OAo TGC-1 (see Note 12).

*** OAo Mosenergo is consolidated since the acquisition of controlling interest in it in May 2007.

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26 RELATED PARTIES (continued)

Gas is sold to associated undertakings in the Russian Federation mainly at the rates established by the FTS. Gas is sold outside the Russian Federation (except for that sold to RosUkrEnergо AG) under long-term contracts based on world commodity prices.

	As of 30 September 2008		As of 31 December 2007	
	Assets	Liabilities	Assets	Liabilities
Short-term accounts receivable and prepayments				
RosUkrEnergо AG	96,762	-	57,446	-
ООО Elion	16,769	-	-	-
Wintershall Erdgas Handelshaus Zug AG	11,915	-	12,439	-
WINGAS GmbH & Co. KG	9,404	-	14,833	-
ОАО Beltransgaz	9,140	-	-	-
ZАО Panrusgaz	7,173	-	6,583	-
АО Moldovagaz*	6,003	-	1,260	-
Wintershall Erdgas Handelshaus GmbH & Co.KG	5,048	-	4,078	-
ОАО NGK Slavneft and its subsidiaries	4,734	-	2,516	-
АО Gazum	3,503	-	2,868	-
ОАО Sibur Holding and its subsidiaries	1,162	-	-	-
ОАО Gazprombank	1,136	-	-	-
SGT EuRoPol GAZ S.A.	1,126	-	1,105	-
ОАО Novatek	492	-	243	-
Short-term promissory notes				
ОАО Gazprombank	1,254	-	-	-
Cash in associated undertakings				
ОАО Gazprombank	134,470	-	-	-
Long-term accounts receivable and prepayments				
WINGAS GmbH & Co. KG	10,287	-	10,163	-
ОАО Sibur Holding and its subsidiaries	4,600	-	-	-
SGT EuRoPol GAZ S.A.	3,330	-	3,955	-
RosUkrEnergо AG	1,786	-	6,947	-
Long-term promissory notes				
ОАО Gazprombank	3,136	-	-	-
Short-term accounts payable				
ОАО Sibur Holding and its subsidiaries	-	5,878	-	-
SGT EuRoPol GAZ S.A.	-	3,828	-	2,456
WINGAS GmbH & Co. KG	-	2,588	-	3,245
ОАО NGK Slavneft and its subsidiaries	-	1,802	-	4,242
RosUkrEnergо AG	-	1,644	-	2,001
ОАО Beltransgaz	-	1,184	-	-
ОАО Gazprombank	-	1,049	-	-
ТОО KazRosGaz	-	878	-	1,787
ОАО Novatek	-	553	-	375
Short-term loans from associated undertakings				
ОАО Tomskneft and its subsidiaries	-	11,832	-	-
ОАО Gazprombank	-	3,878	-	-
Long-term loans from associated undertakings				
ОАО Gazprombank	-	2,997	-	-

* Net of impairment provision on accounts receivable in the amount of RR 27,821 as of 30 September 2008 and 31 December 2007.

26 RELATED PARTIES (continued)

Investments in associated undertakings and jointly controlled entities are disclosed in Note 12.

See Note 27 for financial guarantees issued by the Group on behalf of associated undertakings and jointly controlled entities.

27 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

Taxation

The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations and frequent changes. Tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments.

Management believes that its interpretation of the relevant legislation as of 30 September 2008 is appropriate and all of the Group's tax, currency and customs positions will be sustainable.

Recent volatility in global financial markets

The ongoing global liquidity crisis which commenced in the middle of 2007 has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, higher interbank lending rates. The uncertainties in the global financial market, have also led to bank failures and bank rescues in the United States of America, Western Europe and in Russia. Such circumstances could affect the ability of the Group to obtain new borrowings and re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions. The debtors of the Group may also be affected by the lower liquidity situation which could in turn impact their ability to repay their outstanding payables. Deteriorating operating conditions for borrowers may also have an impact on management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. To the extent that information is available, management has reflected revised estimates of expected future cash flows in their impairment assessments.

The uncertainty in the global markets combined with other local factors has during 2008 led to very high volatility in the Russian Stock Markets and at times much higher than normal interbank lending rates.

Management is unable to estimate reliably the effects on the Group's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

The net pension assets included into other non-current assets are also exposed to the decline in the market price of certain investments made by NPF Gazfund.

The Group is exposed to deteriorating economic conditions resulting from general economic downturn and decline in oil prices. These new market conditions would have an impact on medium term cash flow forecast and assessment of potential impairment of financial and non-financial assets. Management believes that as of 30 September 2008 market conditions did not result in significant change in medium and long-term cash-flow forecasts and impairment assessment.

27 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (continued)

Financial guarantees

	30 September 2008	31 December 2007
Outstanding guarantees issued on behalf of:		
BSPC	19,937	24,352
MRK Energy DMCC	6,959	-
EM Interfinance Limited	5,850	-
Devere Capital International Limited	5,336	-
Blackrock Capital Investments Limited	5,234	-
ZAO Achimgaz	4,647	4,591
OAo Group E4	3,188	-
Nord Stream AG	2,226	-
Gaztransit	1,262	1,346
DSL Assets International Limited	959	-
United Energy Investments Limited	958	-
Gazprom Libya B.V.	-	4,467
Other	<u>14,127</u>	<u>59,484</u>
	<u>70,683</u>	<u>94,240</u>

Included in financial guarantees are amounts denominated in USD of USD 1,657 million and USD 1,348 million as of 30 September 2008 and 31 December 2007, respectively.

In July 2005 Blue Stream Pipeline Company B.V. (BSPC) refinanced some of the existing liabilities, guaranteed by the Group, by means of repayment of the liabilities to a group of Italian and Japanese banks. For the purpose of this transaction loans in the amount of USD 1,185.3 million were received from Gazstream S.A. The Group guaranteed the above loans. As of 30 September 2008 and 31 December 2007, outstanding amounts of these loans were RR 19,555 (USD 775 million) and RR 23,652 (USD 964 million), respectively, which were guaranteed by the Group, pursuant to its obligations.

As of 30 September 2008 and 31 December 2007, BSPC also borrowed RR 382 (USD 15 million) and RR 700 (USD 29 million) of credit facilities, provided by Depfa bank, which were guaranteed by the Group.

In 2007 the Group provided a guarantee to Wintershall Vermögens-Verwaltungsgesellschaft mbH on behalf of ZAO Achimgaz as a security of loans received and used for additional financing of the pilot implementation of the project on the development of Achimsky deposits of the Urengoy field. The Group's liability with respect to loans is limited by 50% in accordance with the ownership interest in ZAO Achimgaz. As of 30 September 2008 and 31 December 2007 the above guarantee amounted to RR 4,647 (Euro 128 million) and RR 4,591 (Euro 128 million), respectively.

In January 2008 the Group provided a guarantee to Europipe GmbH, supplier of large-diameter steel pipes, on behalf of Nord Stream AG related to pipe supply contract for construction of Nord Stream pipeline. As of 30 September 2008, the above guarantee amounted to RR 2,226 (Euro 61 million).

In April 2008 the Group provided a guarantee to Credit Suisse International and National Reserve bank (OAo) on behalf of MRK Energy DMCC related to loan received by MRK Energy DMCC. The purpose of the loan is financing of construction of gas pipeline "Kudarsky pereval – Tskhinval" (South Ossetia). As of 30 September 2008 the outstanding amount of this guarantee was RR 6,959.

In 2006 the Group provided guarantees to Asset Repackaging Trust Five B.V. (registered in the Netherlands) on behalf of the five companies (Devere Capital International Limited, Blackrock Capital Investments Limited, DSL Assets International Limited, United Energy Investments Limited, EM Interfinance Limited) registered in Ireland, with respect to the loan issued by them to SGT EuRoPol GAZ S.A. These guarantees are accounted for as external since OAo Gazprombank deconsolidation. OAo Gazprombank bore risks, associated with this loan. The guarantees amounted to RR 18,337 (USD 726 million) as of 30 September 2008.

In May 2008 the Group provided a guarantee to OAo Bank of Moscow on behalf of OAo Group E4 as a security of loans for obligations under contracts for delivering of power units. As of 30 September 2008, the outstanding amount of this guarantee was RR 3,188 (Euro 88 million).

Other guarantees of the Group included guarantees, issued by OAo Gazprombank to third parties in the amount of RR 54,122 as of 31 December 2007. In January 2007, OAo Gazprombank provided guarantees to OAo Sberbank on behalf of OAo Sibneftegaz. As of 31 December 2007, the outstanding amount of these guarantees was RR 5,934.

27 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (continued)

In August 2007, OAO Gazprombank provided a guarantee to OAO LUKOIL-Nizhegorodnefteorgsintez on behalf of OAO Lukoil-NORSI-Invest. As of 31 December 2007, the outstanding amount was RR 5,308.

In 2007, OAO Gazprombank provided a guarantee to former owners of OAO Salavatnefteorgsintez shares on behalf of ZAO Lider with respect to its purchase of interest in OAO Salavatnefteorgsintez. As of 31 December 2007, the total outstanding amount was RR 16,525.

28 POST BALANCE SHEET EVENTS

Significant change in currency rate

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar and the Euro. The Group has significant foreign currency denominated receivables and borrowings.

The official Russian Rouble (“RR”) to US dollar (“USD”) exchange rates as determined by the Central Bank of the Russian Federation increased from 25.25 to 36.03 in the period from 30 September 2008 to 25 February 2009. The official RR to Euro exchange rates as determined by the Central Bank of the Russian Federation increased from 36.37 to 45.91 in the period from 30 September 2008 to 25 February 2009.

Taxation

In November 2008 the Federal Law on changes in Russian Tax Code relating to the decrease in corporate profit tax rate in Russia from 24% to 20% was adopted, effective from 1 January 2009. This tax rate will be applied to determine the deferred tax liabilities as of 31 December 2008. If the rate of 20% was applied to calculation of tax effect of temporary differences that are expected to reverse in periods subsequent to 1 January 2009, the deferred tax liability as of 30 September 2008 would have been RR 52,344 lower.

Investments

In December 2008, the Group acquired 50% plus one ordinary share in OAO Salavatnefteorgsintez for RR 20,959 paid in cash.

In December 2008 the Group acquired the 75% interest in AKB Soyuz (OAO) for RR 1 paid in cash.

In the fourth quarter 2008 the Group acquired 47,6% interest in OAO Daltransgaz for RR 7,408 paid in cash. In December 2008 the Group acquired additional 25% interest plus one ordinary share for RR 2,604 paid in cash and obtained control over OAO Daltransgaz.

In February 2009 the Group acquired 51% interest in Nafta Industrija Srbija for 38 bln Serbian dinars (Euro 400 million) paid in cash.

Borrowings and loans

In November and December 2008 the Group obtained the first and the second tranches of credit facility from Societe Generale Bank in the amount of USD 250 million and USD 100 million, respectively, due in 2009 at an interest rate of LIBOR + 3.6%.

In December 2008 the Group obtained a loan from ZAO Raiffeisenbank Austria in the amount of USD 100 million due in 2009 at an interest rate of LIBOR + 4.75%.

In December 2008 the Group obtained a loan from Vneshekonombank in the amount of USD 153 million due in 2009 at an interest rate of LIBOR + 5% to refinance part of the loan from Deutsche Bank AG received in December 2004.

In December 2008 the Group obtained a loan from OAO Gazprombank in the amount of RR 7,500 due in 2012 at an interest rate of 8%.

In December 2008 the Group signed an agreement to obtain long-term financing from Vneshekonombank in the amount of USD 750 million due in 2010 at an interest rate of LIBOR + 5% to refinance part of the loan from Calyon Credit Agricole CIB obtained in September and November 2007. In December 2008 the Group obtained USD 150 million under this agreement.

ОАО ГАЗПРОМ
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