

OAO GAZPROM

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

31 MARCH 2007

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

To the Shareholders of OAO Gazprom

Introduction

We have reviewed the accompanying consolidated interim condensed balance sheet of OAO Gazprom and its subsidiaries (the "Group") as of 31 March 2007, and the related consolidated interim condensed statements of income, of cash flows and of changes in equity for the three month period then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information as set out on pages 3 to 28 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 24 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

2 October 2007

OA O GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UNAUDITED)
AS OF 31 MARCH 2007
(In millions of Russian Roubles)

Notes		31 March 2007	31 December 2006
	Assets		
	Current assets		
6	Cash and cash equivalents	665,822	269,224
6	Restricted cash	14,476	12,356
7	Short-term financial assets	52,930	106,574
8	Accounts receivable and prepayments	704,712	662,040
9	Inventories	200,854	207,459
	VAT recoverable	119,811	140,305
	Other current assets	<u>61,473</u>	<u>84,347</u>
		1,820,078	1,482,305
	Non-current assets		
10	Property, plant and equipment	3,066,393	3,034,968
11	Investments in associated undertakings and jointly controlled entities	312,952	318,142
12	Long-term accounts receivable and prepayments	283,805	251,123
13	Available-for-sale long-term financial assets	210,836	150,874
23	Other non-current assets	<u>344,797</u>	<u>72,513</u>
		4,218,783	3,827,620
	Total assets	6,038,861	5,309,925
	Liabilities and equity		
	Current liabilities		
	Accounts payable and accrued charges	681,889	398,126
	Taxes payable	60,645	68,380
	Short-term borrowings and current portion of long-term borrowings	299,218	290,705
	Short-term promissory notes payable	<u>94,001</u>	<u>102,859</u>
		1,135,753	860,070
	Non-current liabilities		
14	Long-term borrowings	736,110	668,343
	Long-term promissory notes payable	6,833	17,186
23	Provisions for liabilities and charges	48,734	119,578
15	Deferred tax liabilities	290,620	275,508
	Other non-current liabilities	<u>6,953</u>	<u>19,420</u>
		1,089,250	1,100,035
	Total liabilities	2,225,003	1,960,105
	Equity		
16	Share capital	325,194	325,194
16	Treasury shares	(28,248)	(41,801)
	Retained earnings and other reserves	<u>3,257,881</u>	<u>2,905,065</u>
		3,554,827	3,188,458
	Minority interest	<u>259,031</u>	<u>161,362</u>
	Total equity	3,813,858	3,349,820
	Total liabilities and equity	6,038,861	5,309,925



A.B. Miller
Chairman of the Management Committee
2 October 2007


E.A. Vasilieva
Chief Accountant
2 October 2007


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 MONTHS ENDED 31 MARCH 2007
(In millions of Russian Roubles)

Notes		Three months ended	
		2007	31 March 2006
17	Sales	611,528	585,777
18	Operating expenses	(401,733)	(355,267)
	Operating profit	209,795	230,510
21	Deconsolidation of NPF Gazfund	44,692	-
19	Finance income	25,415	36,569
19	Finance expenses	(20,036)	(18,552)
11	Share of net income of associated undertakings and jointly controlled entities	11,046	5,988
	Gain on disposal of available-for-sale financial assets	<u>8,593</u>	<u>1,215</u>
	Profit before profit tax	279,505	255,730
	Current profit tax expense	(56,334)	(62,788)
	Deferred profit tax expense	<u>(6,034)</u>	<u>(2,043)</u>
	Profit tax expense	(62,368)	(64,831)
	Profit for the period	217,137	190,899
	Attributable to:		
	Equity holders of OAO Gazprom	210,312	185,157
	Minority interest	<u>6,825</u>	<u>5,742</u>
		217,137	190,899
20	Basic and diluted earnings per share for profit attributable to the equity holders of OAO Gazprom (in Roubles)	9.07	8.13


A.B. Miller
Chairman of the Management Committee

2 October 2007

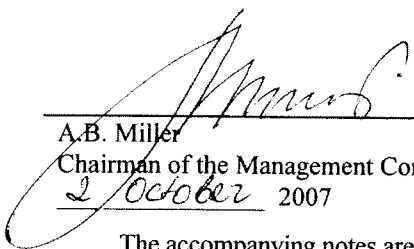

E.A. Vasilieva
Chief Accountant

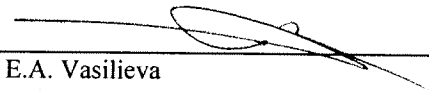
2 October 2007

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OAQ GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2007
(In millions of Russian Roubles)

Notes	Number of shares outstanding (billions)	Attributable to equity holders of OAO Gazprom			Total	Minority interest	Total equity	
		Share capital	Treasury shares	Retained earnings and other reserves				
Three months ended 31 March 2006								
	Balance as of 31 December 2005	22.9	325,194	(19,504)	2,270,727	2,576,417	142,317	2,718,734
	Gains arising from change in fair value of available-for-sale financial assets	-	-	-	22,718	22,718	-	22,718
	Translation differences	-	-	-	(2,756)	(2,756)	-	(2,756)
	Net income recognised directly in equity	-	-	-	19,962	19,962	-	19,962
	Profit for the period	-	-	-	185,157	185,157	5,742	190,899
	Total recognised income for the period	-	-	-	205,119	205,119	5,742	210,861
16	Net treasury shares transactions	(0.1)	-	(18,999)	1,928	(17,071)	-	(17,071)
	Return of social assets to governmental authorities	-	-	-	(12,547)	(12,547)	-	(12,547)
	Balance as of 31 March 2006	22.8	325,194	(38,503)	2,465,227	2,751,918	148,059	2,899,977
Three months ended 31 March 2007								
	Balance as of 31 December 2006	22.9	325,194	(41,801)	2,905,065	3,188,458	161,362	3,349,820
	Gains arising from change in fair value of available-for-sale financial assets	-	-	-	35,827	35,827	-	35,827
	Translation differences	-	-	-	(826)	(826)	-	(826)
	Net income recognised directly in equity	-	-	-	35,001	35,001	-	35,001
	Profit for the period	-	-	-	210,312	210,312	6,825	217,137
	Total recognised income for the period	-	-	-	245,313	245,313	6,825	252,138
16	Net treasury shares transactions	0.0	-	4,715	(1,550)	3,165	-	3,165
	Return of social assets to governmental authorities	-	-	-	(1,962)	(1,962)	-	(1,962)
21	Deconsolidation of NPF Gazfund	0.6	-	8,838	111,015	119,853	90,844	210,697
	Balance as of 31 March 2007	23.5	325,194	(28,248)	3,257,881	3,554,827	259,031	3,813,858


A.B. Miller
Chairman of the Management Committee
2 October 2007


E.A. Vasilieva
Chief Accountant
2 October 2007

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

1 NATURE OF OPERATIONS

OA O 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;
- Processing of oil, gas condensate and other hydrocarbons, and sales of refined products.

Other activities primarily comprise banking, construction and media.

The gas business is subject to seasonal fluctuations with peak demand in the first and fourth quarters of each year. Typically approximately 30% of total annual gas volumes are shipped in the first calendar quarter.

2 ECONOMIC ENVIRONMENT IN THE RUSSIAN FEDERATION

Whilst there have been improvements in economic trends in the country, the Russian Federation continues to display certain characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible in most countries outside of the Russian Federation, restrictive currency controls, and relatively high inflation. The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations, and changes, which can occur frequently.

Economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory, and political developments.

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 financial information should be read together with the consolidated financial statements for the year ended 31 December 2006 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 26.01 and 26.33 as of 31 March 2007 and 31 December 2006, respectively. The official RR to Euro exchange rates as determined by the Central Bank of the Russian Federation were 34.69 and 34.70 as of 31 March 2007 and 31 December 2006, respectively.

In the first quarter of 2007 the Group ceased to consolidate the non-governmental pension fund, NPF Gazfund (see Note 21).

Although NPF Gazfund is now deconsolidated, the Group continues to consolidate AB Gazprombank (ZAO) and its subsidiaries (including Sibur-Holding and Gazprom Media) because the Group has a history of, and continues to, cast the majority of the votes at the meetings of the board of directors of AB Gazprombank (ZAO). As of 31 March 2007, the Group owns approximately 46 % of AB Gazprombank (ZAO) and the bank owns 75 % and 100 % of Sibur-Holding and Gazprom Media, respectively. The Group directly owns the other 25% of Sibur Holding.

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 2006.

The description of the following accounting policy for subsidiary undertakings has been extended from the related accounting policy included in the consolidated financial statements for the year ended 31 December 2006 and is presented in full below.

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

Subsidiary undertakings

The Group's subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the activities of those entities. Subsidiary undertakings in which the Group, directly or indirectly, has an interest of more than 50% of the voting rights or is otherwise able to exercise control over the operations have been consolidated. Subsidiary undertakings therefore include entities in which the Group controls less than 50% of the voting share capital but where the Group controls the entity through other means. This may include a history of casting the majority of the votes at the meetings of the board of directors or equivalent governing body.

The consolidated financial statements of the Group reflect the results of operations of any subsidiaries acquired from the date control is established. Subsidiaries are no longer consolidated from the date from which control ceases. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies have been eliminated. Separate disclosure is made of minority interests.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The date of exchange is the acquisition date where a business combination is achieved in a single transaction, and is the date of each share purchase where a business combination is achieved in stages by successive share purchases.

New accounting developments

In 2007 the Group has adopted all IFRS, amendments and interpretations which are effective 1 January 2007 and which are relevant to its operations, except for IFRIC 10 "Interim Financial Reporting and Impairment" ("IFRIC 10"), which was adopted early by the Group in 2006.

Effective 1 January 2007 the Group adopted IFRS 7 "Financial instruments: Disclosures" ("IFRS 7") and Amendment to IAS 1 "Presentation of Financial Statements - Capital Disclosures" ("IAS 1"). New IFRS 7 introduces new disclosures to improve the information about financial instruments. The Amendment to IAS 1 introduces disclosures about level of an entity's capital and how it manages capital. The Group will disclose in its annual consolidated financial statements the complete information required by IFRS 7. The adoption of IFRS 7 does not have any impact on the classification and valuation of the Group's consolidated financial instruments.

The adoption of IFRIC 8 "Scope of IFRS 2" ("IFRIC 8"), IFRIC 9 "Reassessment of Embedded Derivatives" ("IFRIC 9") and IFRIC 11 "IFRS 2—Group and Treasury Share Transactions" ("IFRIC 11") effective 1 January 2007 did not have a material effect on the consolidated financial statements of the Group.

Effective 1 January 2007, the Group early adopted IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" ("IFRIC 14"). IFRIC 14 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19 "Employee Benefits" ("IAS 19"); how a minimum funding requirement might affect the availability of reductions in future contributions, and when a minimum funding requirement might give rise to a liability. The adoption of IFRIC 14 has not had any effects on prior accounting periods. The effect of application of IFRIC 14 in the current period is described in Note 21.

All changes in the accounting policies 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 adopted by the Group require retrospective application.

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". 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 operations segments. Such information may be different from what is used to prepare the income statement and balance sheet. The IFRS therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the income statement and balance sheet.

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

The application of IFRS 8 is not expected to materially affect the Group's consolidated financial statements.

- 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 statements.
- 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 income statement 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 expects the revised IAS 1 to affect the presentation of its consolidated financial statements but to have no impact on the recognition or measurement of specific transactions and balances.
- 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 Group is currently assessing the effect the application of IFRIC 12 may have on the Group's consolidated financial statements.
- 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 statements.

Critical accounting estimates

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 fair values of acquired assets and liabilities. Management judgement also is involved in the assessment of control and the consolidation of certain affiliated entities in the Group's consolidated financial statements (see Note 21).

5 SEGMENT INFORMATION

The Group operates as a vertically integrated business. Following the practice suggested by IAS 14 "Segment Reporting" 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;
- Other – other activities, including banking.

These segments are derived from the Group's structure and internal financial reporting system.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(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
Three months ended 31 March 2007							
Segment revenues							
Inter-segment sales	59,381	118,189	14,201	19,148	1,367	-	212,286
External sales	<u>1,656</u>	<u>10,799</u>	<u>426,777</u>	<u>32,348</u>	<u>105,767</u>	<u>34,181</u>	<u>611,528</u>
Total segment revenues	61,037	128,988	440,978	51,496	107,134	34,181	823,814
Segment expenses							
Inter-segment expenses	(1,069)	(14,751)	(173,824)	-	(22,642)	-	(212,286)
External expenses	<u>(53,186)</u>	<u>(67,044)</u>	<u>(148,147)</u>	<u>(35,744)</u>	<u>(67,859)</u>	<u>(28,996)</u>	<u>(400,976)</u>
Total segment expenses	<u>(54,255)</u>	<u>(81,795)</u>	<u>(321,971)</u>	<u>(35,744)</u>	<u>(90,501)</u>	<u>(28,996)</u>	<u>(613,262)</u>
Segment result	6,782	47,193	119,007	15,752	16,633	5,185	210,552
Unallocated operating expenses							<u>(757)</u>
Operating profit							209,795
Share of net income of associated undertakings and jointly controlled entities	3,235	165	4,892	640	1,194	920	11,046
Three months ended 31 March 2006							
Segment revenues							
Inter-segment sales	56,726	100,211	11,714	16,648	1,890	-	187,189
External sales	<u>1,045</u>	<u>8,905</u>	<u>412,595</u>	<u>45,121</u>	<u>98,623</u>	<u>19,488</u>	<u>585,777</u>
Total segment revenues	57,771	109,116	424,309	61,769	100,513	19,488	772,966
Segment expenses							
Inter-segment expenses	(1,323)	(12,349)	(153,964)	(28)	(19,525)	-	(187,189)
External expenses	<u>(48,616)</u>	<u>(61,035)</u>	<u>(121,908)</u>	<u>(41,420)</u>	<u>(59,111)</u>	<u>(17,672)</u>	<u>(349,762)</u>
Total segment expenses	<u>(49,939)</u>	<u>(73,384)</u>	<u>(275,872)</u>	<u>(41,448)</u>	<u>(78,636)</u>	<u>(17,672)</u>	<u>(536,951)</u>
Segment result	7,832	35,732	148,437	20,321	21,877	1,816	236,015
Unallocated operating expenses							<u>(5,505)</u>
Operating profit							230,510
Share of net income (loss) of associated undertakings and jointly controlled entities	302	110	(141)	1,461	2,724	1,532	5,988

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

Internal transfer prices are mainly 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 mainly determined on the basis of the statutory accounting reports of the individual subsidiaries on a cost plus basis.

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. Included within restricted cash are balances of cash and cash equivalents totalling RR 2,916 and RR 2,877 as of 31 March 2007 and 31 December 2006, respectively, which are restricted as to withdrawal under the terms of certain borrowings. In addition, restricted cash comprises cash balances of RR 11,560 and RR 9,479 as of 31 March 2007 and 31 December 2006 respectively, in subsidiary banks, which are restricted as to withdrawal under banking regulations.

7 SHORT-TERM FINANCIAL ASSETS

	31 March 2007	31 December 2006
Financial assets held for trading	40,909	84,816
Available-for-sale financial assets (net of impairment provision of RR 4,268 and of RR 4,353 as of 31 March 2007 and 31 December 2006, respectively)	<u>12,021</u>	<u>21,758</u>
	<u>52,930</u>	<u>106,574</u>

Financial assets held for trading owned by the Group's banking subsidiaries amounted to RR 35,228 and RR 33,977 as of 31 March 2007 and 31 December 2006, respectively. These assets primarily comprise marketable equity and debt securities intended to generate short-term profits.

Financial assets held for trading owned by NPF Gazfund amounted to RR 46,340 as of 31 December 2006 (see Note 21).

Available-for-sale investments primarily comprise third parties promissory notes maturing within twelve months of the balance sheet date.

8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 March 2007	31 December 2006
Trade receivables	263,175	254,082
Prepayments and advances	120,532	114,059
Other receivables	<u>321,005</u>	<u>293,899</u>
	<u>704,712</u>	<u>662,040</u>

Accounts receivable and prepayments are presented net of impairment provision of RR 92,079 and RR 91,962 as of 31 March 2007 and 31 December 2006, respectively.

As of 31 March 2007 and 31 December 2006 other receivables include RR 281,653 and RR 243,735 respectively, relating to the operations of AB Gazprombank (ZAO). These balances mainly represent 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 2,013 and RR 1,852 as of 31 March 2007 and 31 December 2006, respectively.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

10 PROPERTY, PLANT AND EQUIPMENT

	Total production assets (including production licenses)	Social assets	Assets under construction	Total
As of 31 December 2005				
Cost	4,207,853	113,109	340,947	4,661,909
Accumulated depreciation	<u>(1,833,985)</u>	<u>(36,913)</u>	-	<u>(1,870,898)</u>
Net book value as of 31 December 2005	2,373,868	76,196	340,947	2,791,011
Three months ended 31 March 2006				
Net book value as of 31 December 2005	2,373,868	76,196	340,947	2,791,011
Depreciation	(37,586)	(730)	-	(38,316)
Additions	406	36	57,470	57,912
Transfers	6,617	142	(6,759)	-
Disposals	(4,039)	(12,605)	(1,410)	(18,054)
Charge of impairment provision	-	-	<u>(1,401)</u>	<u>(1,401)</u>
Net book value as of 31 March 2006	2,339,266	63,039	388,847	2,791,152
Nine months ended 31 December 2006				
Net book value as of 31 March 2006	2,339,266	63,039	388,847	2,791,152
Depreciation	(124,157)	(1,947)	-	(126,104)
Additions	13,667	597	360,609	374,873
Acquisition of subsidiaries	10,013	-	10,489	20,502
Transfers	364,135	4,018	(368,153)	-
Disposals	(3,666)	(4,992)	(10,234)	(18,892)
Charge of impairment provision	-	-	<u>(6,563)</u>	<u>(6,563)</u>
Net book value as of 31 December 2006	2,599,258	60,715	374,995	3,034,968
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
Three months ended 31 March 2007				
Net book value as of 31 December 2006	2,599,258	60,715	374,995	3,034,968
Depreciation	(46,056)	(659)	-	(46,715)
Additions	341	-	82,214	82,555
Transfers	30,445	80	(30,525)	-
Disposals	(789)	(2,295)	(1,075)	(4,159)
Charge of impairment provision	-	-	<u>(256)</u>	<u>(256)</u>
Net book value as of 31 March 2007	2,583,199	57,841	425,353	3,066,393
As of 31 March 2007				
Cost	4,595,178	86,168	425,353	5,106,699
Accumulated depreciation	<u>(2,011,979)</u>	<u>(28,327)</u>	-	<u>(2,040,306)</u>
Net book value as of 31 March 2007	2,583,199	57,841	425,353	3,066,393

Production assets are shown net of provision for impairment of RR 2,574 as of 31 March 2007 and 31 December 2006. Assets under construction are presented net of provision for impairment of RR 92,059 and RR 91,803 as of 31 March 2007 and 31 December 2006, 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 9,463 and RR 11,573 as of 31 March 2007 and 31 December 2006, respectively.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

11 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINTLY CONTROLLED ENTITIES

Notes	Carrying value as of		Group's share of the profit (loss)*		
	31 March 2007	31 December 2006	31 March 2007	2006	
	OAO NGK Slavneft	141,524	140,165	1,657	4,185
24	OAO Novatek	64,062	63,426	632	-
24	SGT EuRoPol GAZ S.A.	28,909	30,865	149	148
	OAO Moscovsky NPZ	15,444	15,266	178	-
24	OAO Mosenergo	22,206	16,751	232	302
	OAO Moscow United Electricity Network Company**	-	5,643	-	413
24	WINGAS GmbH	4,827	6,197	2,186	1,411
24	OAO Stroytransgaz	3,562	3,559	4	19
	OAO Moscow City Electricity Network Company**	-	2,823	-	180
	AO Latvijas Gaze	3,165	3,109	110	99
	OAO Moscow Heating Network Company**	-	2,412	-	388
	AO Lietuvos Dujos	2,028	1,756	269	155
	Blue Stream Pipeline company B.V.	1,067	1,063	16	(38)
24	RosUkrEnergo AG	-	-	48	(2,823)
	ZAO Nortgaz	2,627	2,272	355	289
24	TOO KazRosGaz	2,308	1,934	349	315
	Other (net of provision for impairment of RR 5,168 and RR 5,312 as of 31 March 2007 and 31 December 2006, respectively)	<u>21,223</u>	<u>20,901</u>	<u>4,861</u>	<u>945</u>
		312,952	318,142	11,046	5,988

* represents Group's share of the profit (loss) of the associates and jointly controlled entities for the three months ended 31 March 2007 and 31 March 2006, respectively.

** companies established under restructuring of OAO Mosenergo, disposed in current period due to the deconsolidation of NPF Gazfund (see Note 21).

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

	Percent of share capital held	Location	As of 31 March 2007		For the three months ended 31 March 2007	
			Assets	Liabilities	Revenues	Profit (loss)
OAO NGK Slavneft	50%	Russia	357,628	73,816	30,857	3,325
OAO Novatek	19%	Russia	89,961	16,899	14,871	4,347
SGT EuRoPol GAZ S.A.	48%	Poland	57,397	29,004	3,476	311
OAO Moscovsky NPZ	39%	Russia	43,395	3,615	2,368	458
OAO Mosenergo	30%	Russia	93,204	34,796	25,141	781
WINGAS GmbH	35%	Germany	93,604	85,584	68,558	6,120
OAO Stroytransgaz	18%	Russia	49,203	30,086	7,597	104
AO Latvijas Gaze	34%	Latvia	18,658	3,483	3,576	322
AO Lietuvos Dujos	37%	Lithuania	23,559	4,218	3,292	725
Blue Stream Pipeline company B.V.	50%	Netherlands	59,045	55,269	1,755	63

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

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

	Percent of share capital held	Location	As of 31 March 2007		For the three months ended 31 March 2007	
			Assets	Liabilities	Revenues	Profit (loss)
RosUkrEnergo AG	50%	Switzerland	120,755	98,069	92,956	1,734
ZAO Nortgaz	51%	Russia	6,630	1,481	1,675	696
TOO KazRosGaz	50%	Kazakhstan	5,831	1,215	2,947	699

	Percent of share capital held	Location	As of 31 March 2006		For the three months ended 31 March 2006	
			Assets	Liabilities	Revenues	Profit (loss)
OAO NGK Slavneft	50%	Russia	370,390	62,925	48,382	8,395
SGT EuRoPol GAZ S.A.	48%	Poland	59,764	34,098	3,698	309
OAO Moscovsky NPZ	39%	Russia	44,278	3,615	1,313	-
OAO Mosenergo	25%	Russia	41,029	16,663	25,558	1,208
OAO Moscow United Electricity Network Company	25%	Russia	24,429	4,981	6,489	1,651
WINGAS GmbH	35%	Germany	92,838	85,013	63,501	4,269
OAO Sroytransgaz	26%	Russia	55,096	29,605	13,521	448
OAO Moscow City Electricity Network Company	25%	Russia	13,268	966	2,690	720
AO Latvijas Gaze	34%	Latvia	13,848	2,594	3,383	291
OAO Moscow Heating Network Company	25%	Russia	12,520	2,214	5,551	1,548
AO Lietuvos Dujos Blue Stream Pipeline company B.V.	37%	Lithuania	21,986	3,729	2,777	418
	50%	Netherlands	63,377	59,051	1,821	(145)
RosUkrEnergo AG	50%	Switzerland	71,780	61,231	54,778	(10,616)
ZAO Nortgaz	51%	Russia	6,101	2,646	1,538	567
TOO KazRosGaz	50%	Kazakhstan	4,213	2,213	3,512	630
ZAO ArmRosgazprom	45%	Armenia	10,685	2,356	1,211	121

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

The following table discloses the Group's share in associated undertakings based on published price quotations:

	31 March 2007	31 December 2006
OAO Novatek	88,835	98,455
OAO Mosenergo (stand alone)	55,794	44,491
AO Latvijas Gaze	6,881	6,984
AO Lietuvos Dujos	6,228	6,658

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

12 LONG-TERM ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 March 2007	31 December 2006
Long-term accounts receivable and prepayments	210,121	191,816
Advances for assets under construction	<u>73,684</u>	<u>59,307</u>
	<u>283,805</u>	<u>251,123</u>

Long-term accounts receivable and prepayments are presented net of impairment provision of RR 15,329 and RR 15,170 as of 31 March 2007 and 31 December 2006, respectively.

As of 31 March 2007 and 31 December 2006 long term accounts receivable and prepayments include RR 110,699 and RR 99,380, respectively, relating to the operations of AB Gazprombank (ZAO). These balances mainly represent long-term loans issued to customers at commercial rates based on credit risks and maturities.

13 AVAILABLE-FOR-SALE LONG-TERM FINANCIAL ASSETS

Available-for-sale long-term financial assets, in total amount of RR 210,836 and RR 150,874, are shown net of provision for impairment of RR 2,536 and RR 10,253 as of 31 March 2007 and 31 December 2006, respectively.

Available-for-sale long-term financial assets owned by the Group's banking subsidiaries amounted to RR 31,788 and RR 5,511 as of 31 March 2007 and 31 December 2006, respectively.

Included within available-for-sale financial assets is a 10.49% interest in the share capital of RAO UES with a fair value based on published price quotations of RR 160,770 and RR 128,599 as of 31 March 2007 and 31 December 2006, respectively.

14 LONG-TERM BORROWINGS

	Currency	Final maturity	31 March 2007	31 December 2006
Long-term borrowings payable to:				
Morgan Stanley AG	US dollar	2013	45,885	47,558
Loan participation notes issued in May 2005	Euro	2015	36,384	35,886
Loan participation notes issued in September 2003	Euro	2010	36,065	35,408
Loan participation notes issued in November 2006	US dollar	2016	35,897	35,786
Loan participation notes issued in December 2005	Euro	2012	35,178	34,793
Loan participation notes issued in March 2007	US dollar	2022	33,961	-
ABN AMRO*	US dollar	2010	32,969	35,765
Loan participation notes issued April 2004	US dollar	2034	32,358	32,074
Deutsche Bank AG	US dollar	2014	31,529	31,776
Structured export notes issued in July 2004	US dollar	2020	31,401	33,901
Dresdner Bank AG*	US dollar	2010	30,848	33,143
Dresdner Bank AG*	US dollar	2008	28,780	33,135
Loan participation notes issued in October 2006	Euro	2014	27,186	27,317
Eurobonds issued by AB Gazprombank (ZAO) in September 2005	US dollar	2015	25,814	26,557
Eurobonds issued by AB Gazprombank (ZAO) in October 2003	US dollar	2008	20,048	19,927
Salomon Brothers AG	US dollar	2009	19,047	18,798
Loan participation notes issued in March 2007	Euro	2017	17,408	-
Loan participation notes issued in November 2006	Euro	2017	17,365	17,443
Citibank International PLC	US dollar	2009	16,438	16,646
Salomon Brothers AG	US dollar	2009	16,249	15,921
Credit Swiss First Boston	Euro	2009	13,966	13,969
Salomon Brothers AG	US dollar	2007	13,520	13,386
Loan from a syndicate of foreign banks	US dollar	2008	13,224	13,179
Depfa Bank*	US dollar	2008	13,016	13,502
Credit Swiss International	US dollar	2009	12,495	-
Credit Swiss International	US dollar	2008	12,237	-

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

14 LONG TERM BORROWINGS (continued)

	Currency	Final maturity	31 March 2007	31 December 2006
Eurobonds issued by AB Gazprombank (ZAO) in February 2007	Rouble	2010	10,015	-
OOO Aragon	Euro	2010	9,539	9,541
Deutsche Bank AG	US dollar	2011	9,459	9,358
Credit Swiss First Boston	Euro	2007	8,802	8,720
Eurobonds issued by AB Gazprombank (ZAO) in January 2004	US dollar	2008	8,019	7,971
Liberty Hampshir Corporation	Rouble	2009	7,717	7,600
Credit Swiss First Boston	Euro	2008	7,072	7,009
Credit Swiss First Boston	Euro	2008	7,063	6,996
ABN AMRO*	US dollar	2009	6,524	6,609
Gazstream S.A.	US dollar	2010	6,482	7,050
Mannesmann (Deutsche Bank AG)*	Euro	2008	5,872	5,814
Gazstream S.A.	US dollar	2012	5,683	7,248
J.P. Morgan Chase bank	US dollar	2011	5,354	5,302
Credit Swiss First Boston	US dollar	2009	5,302	5,293
ABN AMRO*	US dollar	2009	5,284	5,355
BNP Paribas SA	US dollar	2008	5,207	5,271
Russian bonds issued in October 2004	Rouble	2007	5,179	5,084
Russian bonds issued in November 2006	Rouble	2011	5,143	5,057
Russian bonds issued in November 2006	Rouble	2009	5,139	5,040
Russian bonds issued in February 2005	Rouble	2010	5,050	5,134
Russian bonds issued in August 2005	Rouble	2009	5,048	5,134
Russian bonds issued in February 2007	Rouble	2014	5,038	-
Deutsche Bank AG	US dollar	2009	2,950	2,988
International banking consortium	Euro	2007	2,428	1,735
Russian bonds issued in February 2004	Rouble	2007	-	10,359
Salomon Brothers AG	US dollar	2007	-	11,876
Other long-term borrowings	Various	Various	<u>70,829</u>	<u>62,583</u>
Total long-term borrowings			869,466	805,997
Less: current portion of long-term borrowings			<u>(133,356)</u>	<u>(137,654)</u>
			736,110	668,343

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

Due for repayment:	31 March 2007	31 December 2006
Between one and two years	138,051	111,280
Between two and five years	224,469	242,230
After five years	<u>373,590</u>	<u>314,833</u>
	736,110	668,343

As of 31 March 2007 and 31 December 2006, respectively, long-term borrowings include RR 100,772 and RR 84,628 of long-term borrowings of AB Gazprombank (ZAO).

Long-term borrowings include fixed rate loans with a carrying value of RR 603,467 and RR 563,142 as of 31 March 2007 and 31 December 2006 respectively. Other long-term borrowings generally have variable interest rates linked to LIBOR.

As of 31 March 2007 and 31 December 2006 long-term borrowings, including current portion, of RR 31,401 and RR 33,901, respectively, were secured by gas sales contracts to Western Europe.

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

15 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%.

	31 March 2007	Differences recognition and reversals	31 December 2006	31 March 2006	Differences recognition and reversals	31 December 2005
Tax effects of taxable temporary differences:						
Property, plant and equipment	(243,578)	(1,839)	(241,739)	(234,796)	323	(235,119)
Investments	(48,886)	(10,774)	(38,112)	(30,548)	(9,806)	(20,742)
Inventories	<u>(2,271)</u>	<u>(2,082)</u>	<u>(189)</u>	<u>(3,261)</u>	<u>(294)</u>	<u>(2,967)</u>
	(294,735)	(14,695)	(280,040)	(268,605)	(9,777)	(258,828)
Tax effects of deductible temporary differences:						
Tax losses carry forward	1,771	65	1,706	3,076	247	2,829
Other deductible temporary differences	<u>2,344</u>	<u>(482)</u>	<u>2,826</u>	<u>2,302</u>	<u>(1,829)</u>	<u>4,131</u>
	4,115	(417)	4,532	5,378	(1,582)	6,960
Total net deferred tax liabilities	(290,620)	(15,112)	(275,508)	(263,227)	(11,359)	(251,868)

Taxable temporary differences in relation to financial assets include difference on fair value adjustment on RAO UES of Russia shares in the amount of RR 7,721 and RR 7,124 for the three months ended 31 March 2007 and 2006, respectively. No current profit tax was paid on this revaluation.

16 EQUITY

Share capital

Share capital authorised, issued and paid totals RR 325,194 as of 31 March 2007 and 31 December 2006 and consists of 23.7 billion ordinary shares, each with a historical par value of 5 Russian Roubles.

Treasury shares

At 31 March 2007 and 31 December 2006, subsidiaries of OAO Gazprom held 109 million and 749 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.

In addition, treasury shares as of 31 March 2007 include 46 million of Gazprom shares recognized under put option written by the Group in June 2006 with a strike price of USD 13.27 per share. The option expires in November 2007. Financial liabilities recognized under this put option amounted to RR 15,478 as of 31 March 2007 and are included in "Accounts payable and accrued charges".

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

17 SALES

	Three months ended	
	31 March	
	2007	2006
Gas sales (including excise tax, customs duties and net of VAT) to customers in:		
Russian Federation	135,915	124,909
Former Soviet Union (excluding Russian Federation)	82,714	72,722
Far abroad	<u>282,661</u>	<u>315,257</u>
Gross sales of gas	501,290	512,888
Excise tax	-	(1,326)
Customs duties	<u>(72,857)</u>	<u>(97,922)</u>
Net sales of gas	428,433	413,640
Sales of refined products to customers in:		
Russian Federation	57,363	51,036
Former Soviet Union (excluding Russian Federation)	6,914	4,370
Far abroad	<u>41,490</u>	<u>43,217</u>
Total sales of refined products	105,767	98,623
Sales of crude oil and gas condensate to customers in:		
Russian Federation	8,224	5,726
Former Soviet Union (excluding Russian Federation)	3,418	5,826
Far abroad	<u>20,706</u>	<u>33,569</u>
Total sales of crude oil and gas condensate	32,348	45,121
Gas transportation sales	10,799	8,905
Other revenues	<u>34,181</u>	<u>19,488</u>
	<u>611,528</u>	<u>585,777</u>

18 OPERATING EXPENSES

Note	Three months ended	
	31 March	
	2007	2006
	104,272	59,895
	55,311	49,288
24	50,509	53,891
	50,090	46,487
	37,747	42,447
	22,592	17,247
	16,476	17,129
	13,734	14,663
24	12,322	12,065
	3,852	1,928
	3,384	4,569
	3,204	3,019
	996	5,450
Other operating expenses	<u>27,244</u>	<u>27,189</u>
	<u>401,733</u>	<u>355,267</u>

Staff costs include RR 3,395 and RR 2,338 of expenses associated with pension obligations for the three months ended 31 March 2007 and 2006, respectively.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

19 FINANCE INCOME AND EXPENSES

	Three months ended	
	31 March	
	2007	2006
Exchange gains	10,374	28,673
Interest income	14,166	7,840
Gains on extinguishment of restructured liabilities	<u>875</u>	<u>56</u>
Total finance income	<u>25,415</u>	<u>36,569</u>

	Three months ended	
	31 March	
	2007	2006
Exchange losses	4,988	6,289
Interest expense	<u>15,048</u>	<u>12,263</u>
Total finance expenses	<u>20,036</u>	<u>18,552</u>

20 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF OAO GAZPROM

Earnings per share for profit attributable to the equity holders has been calculated by dividing the profit for the period attributable to the equity holders by the weighted average number of ordinary shares during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares (see Note 16).

There were 23.2 and 22.8 billion weighted average shares outstanding for the three months ended 31 March 2007 and 2006, respectively.

21 EFFECT OF THE DECONSOLIDATION OF NPF GAZFUND

In 1994, Gazprom founded the Non-State pension fund NPF Gazfund. Historically, Gazprom consolidated Gazfund primarily due to the fact that Gazprom management exhibited control over the financial and investment decisions of Gazfund. Gazprom used Gazfund as the Group's primary investment vehicle for purchasing strategic investments and Gazfund did not have any other significant operations or investments.

During the first quarter of 2007, there were changes in legislation relating to pension funds, specifically Regulation No. 63 dated 1 February 2007, which introduced stringent requirements on pension fund's investment policies and on the composition of investment portfolios. After evaluating and assessing the specific provisions of the new legal requirements, executive management met in March 2007 and decided to discontinue the use of Gazfund as the Group's primary investment vehicle.

Based on the new legislation and management's decisions, NPF Gazfund was deconsolidated from the consolidated financial information of OAO Gazprom in first quarter 2007. As a result of this deconsolidation, the Gazfund investment assets are now accounted for as plan assets on the OAO Gazprom consolidated interim condensed balance sheet under IAS 19. The principal balance sheet line items affected are short term financial assets, other non-current assets, provisions for liabilities and charges, minority interest and equity including treasury shares. In addition, where NPF Gazfund continues to hold ownership interests in OAO Gazprom subsidiaries (for example, AB Gazprombank (ZAO), OAO Sibur-Holding), those interests are reflected as Minority Interest in the accompanying financial information.

In accordance with IAS 19, pension assets are required to be recorded at estimated fair market values subject to certain limitations. The Company recorded a net pension asset of approximately RR 266 billion at 31 March 2007 in accordance with these requirements. The pension assets comprise shares of OAO Gazprom, shares of AB Gazprombank (ZAO) and other assets held by Gazfund at 31 March 2007. Although the fair value of these assets could vary within a reasonable supportable range due to the underlying assumptions used, at 31 March 2007 management estimated the fair value of these assets at approximately RR 590 billion.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

21 EFFECT OF THE DECONSOLIDATION OF NPF GAZFUND (continued)

The net pension asset recognized has been limited to RR 266 billion by the application of IAS 19 and IFRIC 14. This limitation reflects the cumulative unrecognized net actuarial losses and the present value of economic benefits available to Gazprom in the form of reductions in future contributions to the plan. The fair values of the pension plan assets were estimated based on common valuation techniques which included specific market quotes and comparable third party transactions. Management is currently evaluating, assessing and refining these disclosed fair values and will adjust accordingly, if necessary. Any true-up adjustments are not expected to have a material effect on the Company's financial position, results of operations or cash flows.

The deconsolidation of NPF Gazfund had the following line item effect(s) on the accompanying consolidated interim condensed financial information of the Group:

	Description	Increase/ (decrease)
IFRS consolidated interim condensed balance sheet		
Other non-current assets	Recognition of pension assets	265,715
Provisions for liabilities and charges	Elimination of previously recorded defined benefit liabilities	(76,166)
Treasury shares	Disposal of OAO Gazprom shares held by Gazfund	8,838
Retained earnings and other reserves	Excess of fair market value over cost basis of OAO Gazprom shares held by Gazfund	111,015
Short-term financial assets	Elimination of previously consolidated amounts	(46,340)
Cash and cash equivalents	Elimination of previously consolidated amounts	(18,518)
Accounts receivable and prepayments	Elimination of previously consolidated amounts	(7,098)
Other current assets	Elimination of previously consolidated amounts	(6,640)
Investments in associated undertakings and jointly controlled entities	Elimination of previously consolidated amounts	(7,896)
Retained earnings and other reserves	Gain on deconsolidation	44,692
Minority interest	Recognition of minority interest in Group subsidiaries held by Gazfund	90,844
IFRS consolidated interim condensed income statement		
Deconsolidation of NPF Gazfund	Gain on deconsolidation	44,692
IFRS consolidated interim condensed statement of changes in equity		
	Cost of OAO Gazprom shares held by Gazfund	8,838
Deconsolidation of NPF Gazfund	Excess of fair market value over cost basis of OAO Gazprom shares held by Gazfund	111,015
	Recognition of minority interest in Group subsidiaries held by Gazfund	90,844
IFRS consolidated interim condensed statement of cash flows		
Decrease in cash due to NPF Gazfund deconsolidation	Decrease in cash due to NPF Gazfund deconsolidation	(18,518)

22 CASH PROVIDED FROM OPERATING ACTIVITIES

Cash provided from operating activities includes cash on bank accounts of AB Gazprombank (ZAO) in the amount RR 275,345, including cash on bank accounts representing AB Gazprombank (ZAO) temporary cash deposits from participants of the auctions in the amount of RR 157,166.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

23 PROVISIONS FOR LIABILITIES AND CHARGES

	31 March 2007	31 December 2006
Provision for pension obligations	11,622	84,393
Provision for environmental liabilities	33,315	31,670
Other	<u>3,797</u>	<u>3,515</u>
	48,734	119,578

The amounts associated with pension obligations recognized in the balance sheet are as follows:

	31 March 2007			31 December 2006		
	Benefits provided by pension plan - Gazfund	Other benefits	Total	Benefits provided by pension plan - Gazfund	Other benefits	Total
Present value of obligations	(196,297)	(44,579)	(240,876)	(193,352)	(44,129)	(237,481)
Unrecognised actuarial losses	120,131	6,446	126,577	120,131	6,446	126,577
Unrecognised past service cost	-	<u>26,511</u>	<u>26,511</u>	-	<u>26,511</u>	<u>26,511</u>
Net liability	(76,166)	(11,622)	(87,788)	(73,221)	(11,172)	(84,393)
Fair value of plan assets	341,881	-	341,881	-	-	-
Less liabilities, accrued	<u>(76,166)</u>	<u>(11,622)</u>	<u>(87,788)</u>	<u>(73,221)</u>	<u>(11,172)</u>	<u>(84,393)</u>
Net asset (liability) recognized	265,715	(11,622)	254,093	(73,221)	(11,172)	(84,393)

Net pension assets are presented within other non-current assets in the consolidated balance sheet.

The amounts recognized in the consolidated statement of income and consolidated statement of changes in equity are as follows:

	Three months ended 31 March	
	2007	2006
Current service cost	1,409	997
Interest cost	<u>1,986</u>	<u>1,341</u>
Net expense included in staff costs in the consolidated statement of income (see Note 18)	3,395	2,338

Principal actuarial assumptions used (expressed as weighted average):

	31 March 2007	31 December 2006
Discount rate (nominal)	6.7%	6.7%
Future salary increases (nominal)	7.6%	7.6%
Employees average remaining working life (years)	15	15

The assumptions relating to longevity at normal pension age were 17 years for a 60 years old man and 28 years for a 55 year old woman in 2006.

24 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".

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

24 RELATED PARTIES (continued)

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 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 31 March 2007 and 31 December 2006 and for the three months ended 31 March 2007 and 2006 the Group had the following significant transactions and balances with the Government and parties under control of the Government:

Notes	As of 31 March 2007		For the three months ended 31 March 2007		
	Assets	Liabilities	Revenues/ Income	Expenses	
Transactions and balances with the Government					
	Current profit tax	13,511	13,599	-	56,334
	Unified social tax	250	1,995	-	9,831
	VAT recoverable/payable	164,839	18,181	-	-
	Customs duties	27,189	-	-	-
18	Other taxes	6,087	27,251	-	50,509
Transactions and balances with other parties under control of the Government					
	Gas sales	-	-	62,195	-
	Accounts receivable	104,096	-	-	-
18	Electricity and heating expenses	-	-	-	12,322
	Oil transportation expenses	-	-	-	10,390
	Accounts payable	-	4,159	-	-
	Loans	-	24,863	-	-
	Interest income/expense	-	-	482	416
	Short-term financial assets	8,393	-	-	-
	Investments in associated undertakings and jointly controlled entities	22,206	-	232	-
	Available-for-sale long-term financial assets	160,770	-	-	-

OAQ GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

24 RELATED PARTIES (continued)

Notes	As of 31 December 2006		For the three months ended 31 March 2006		
	Assets	Liabilities	Revenues/ Income	Expenses	
Transactions and balances with the Government					
	Current profit tax	15,488	18,957	-	62,788
	Unified social tax	359	1,015	-	9,216
	VAT recoverable/payable	180,851	21,311	-	-
	Customs duties	23,339	-	-	-
18	Other taxes	9,293	27,919	-	53,891
Transactions and balances with other parties under control of the Government					
	Gas sales	-	-	53,548	-
	Accounts receivable	81,610	-	-	-
18	Electricity and heating expenses	-	-	-	12,065
	Oil transportation expenses	-	-	-	9,593
	Accounts payable	-	4,250	-	-
	Loans	-	32,107	-	-
	Interest income/expense	-	-	573	172
	Short-term financial assets	28,762	-	1,694	-
	Investments in associated undertakings and jointly controlled entities	34,828	-	1,330	-
	Available-for-sale long-term financial assets	128,599	-	-	-

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

See consolidated interim statement of changes in equity for returns of social assets to governmental authorities during the three months ended 31 March 2007 and 2006. See Note 10 for net book values as of 31 March 2007 and 31 December 2006 of social assets vested to the Group at privatisation.

See Note 25 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 annual 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.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

24 RELATED PARTIES (continued)

Associated undertakings and jointly controlled entities

For the three months ended 31 March 2007 and 2006 and as of 31 March 2007 and 31 December 2006 the Group had the following significant transactions and balances with associated undertakings and jointly controlled entities:

	Three months ended 31 March	
	2007	2006
Gas sales	Revenues	Revenues
RosUkrEnergo AG	46,023	43,342
Wintershall Erdgas Handelshaus GmbH & Co.KG	15,516	16,396
ZAO Panrusgaz	13,685	10,246
WINGAS GmbH	10,297	11,510
OAO Mosenergo	9,455	9,078
AO Gazum	4,888	5,500
Wintershall Erdgas Handelshaus Zug AG	4,754	7,484
AO Moldovagaz	2,317	1,711
Promgaz SPA	2,209	2,620
GWH-Gaz und Warenhandels GmbH	1,501	2,336
Gas transportation sales		
RosUkrEnergo AG	2,864	2,932
OAO Novatek	2,011	-
Purchased gas	Expenses	Expenses
RosUkrEnergo AG	21,322	1,890
TOO KazRosGaz	2,340	1,969
OAO Novatek	1,110	-
Purchased transit of gas		
SGT EuRoPol GAZ S.A.	2,532	2,632
Construction services purchases		
OAO Stroytransgaz	1,753	10,116

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 AO Moldovagaz and RosUkrEnergo AG) under long-term contracts based on world commodity prices.

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

24 RELATED PARTIES (continued)

	As of 31 March 2007		As of 31 December 2006	
	Assets	Liabilities	Assets	Liabilities
Short-term accounts receivable and prepayments				
RosUkrEnergog AG	64,268	-	62,702	-
WINGAS GmbH	9,001	-	16,141	-
ZAO Panrusgaz	7,852	-	7,363	-
AO Moldovagaz*	3,554	-	1,847	-
AO Gazum	1,967	-	2,073	-
SGT EuRoPol GAZ S.A.	1,112	-	1,119	-
OAO Novatek	969	-	180	-
OAO Mosenergo	40	-	501	-
Wintershall Erdgas Handelshaus GmbH & Co.KG	-	-	787	-
Long-term accounts receivable and prepayments				
WINGAS GmbH	13,278	-	13,282	-
RosUkrEnergog AG	12,882	-	14,903	-
SGT EuRoPol GAZ S.A.	4,656	-	4,900	-
Short-term accounts payable				
RosUkrEnergog AG	-	12,606	-	16,904
SGT EuRoPol GAZ S.A.	-	1,617	-	1,518
TOO KazRosGaz	-	971	-	750
OAO Novatek	-	451	-	313
Short-term accounts receivable and payable for construction services				
OAO Stroytransgaz	263	4,206	712	8,128

* Net of impairment provision on accounts receivable in the amount of RR 23,049 and RR 22,484 as of 31 March 2007 and 31 December 2006, respectively.

Investments in associated undertakings and jointly controlled entities are disclosed in Note 11.

25 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

Taxation

Russian tax, currency and customs legislation is subject to varying interpretations and changes, which can occur frequently. 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 31 March 2007 is appropriate and all of the Group's tax, currency and customs positions will be sustainable.

Financial guarantees

	31 March 2007	31 December 2006
Outstanding guarantees issued on behalf of:		
BSPC	27,702	30,150
ZAO Investment Technologies	5,932	6,005
Gaztransit	1,764	1,940
Other	<u>24,680</u>	<u>12,770</u>
	<u>60,078</u>	<u>50,865</u>

OAO GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 31 MARCH 2007
(In millions of Russian Roubles)

25 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (continued)

Included in financial guarantees are amounts denominated in USD of USD 1,537 million and USD 1,511 million as of 31 March 2007 and 31 December 2006, 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 31 March 2007 and 31 December 2006, outstanding amounts of these loans were RR 27,052 (USD 1,040 million) and RR 29,386 (USD 1,116 million), respectively, which were guaranteed by the Group, pursuant to its obligations.

As of 31 March 2007 and 31 December 2006, BSPC also borrowed RR 650 (USD 25 million) and RR 764 (USD 29 million) of credit facilities, provided by Depfa bank, which were guaranteed by the Group.

In November 2006 the Group provided a guarantee to Lascor Limited on behalf of ZAO Investment Technologies with respect to its purchase of OAO Salavatnefteorgsyntez shares. As of 31 March 2007 and 31 December 2006, outstanding amounts were RR 5,932 (USD 228 million) and RR 6,005 (USD 228 million), respectively.

Other guarantees primarily relate to those issued by AB Gazprombank (ZAO) to third parties in the amount of RR 18,106 and RR 7,461 as of 31 March 2007 and 31 December 2006, respectively. In January 2007 AB Gazprombank (ZAO) provided guarantees to Sberbank on behalf of OAO Sibneftegaz in the total amount of RR 6,358.

Other guarantees

As of 31 March 2007 and 31 December 2006, the Group has pledged RR 0 (USD 0 million) and RR 9,410 (USD 358 million), respectively, of US T-bills which are included in short-term available-for-sale financial assets (see Note 7) as a guarantee of the loan received from Dresdner Bank AG. During the first quarter 2007 the loan was fully paid.

26 POST BALANCE SHEET EVENTS

Investments

In April 2007, the Group acquired 50% plus one non-voting share of Sakhalin Energy Investment Company Ltd., which is the operator of Sakhalin-2 project, for USD 7,450 million paid in cash. Management is currently assessing the financial statements impacts of the transaction.

In May 2007, the Group acquired additional shares of OAO Mosenergo for RR 60,040 paid in cash. As a result of this transaction Group increased its interest in OAO Mosenergo to 49.76%. In June 2007 the Group acquired additional shares in OAO Mosenergo and increased its interest in OAO Mosenergo to controlling stake. In August 2007, the Group made an offer to the minority shareholders of Mosenergo for the purchase of the remaining minority interest.

In June 2007, the Group acquired 12.5% shares of Beltransgas for USD 625 million.

Borrowings and loans

In April 2007, the Group received a loan from ABN AMRO in the amount of USD 5,450 million at an interest rate of Libor + 0.3% due in 2008 and, to refinance part of this loan the Group received two loans in the amount of USD 1,000 million at an interest rate of Libor + 0.4% due in 2010 and in the amount of USD 1,000 million at an interest rate of Libor + 0.5% due in 2012.

In April 2007, the Group issued USD 700 million Loan Participation Notes due in 2010 at an interest rate of 3 month Libor+0.9%.

26 POST BALANCE SHEET EVENTS (continued)

In May and June 2007, the Group received USD 2,400 million and USD 1,100 million, respectively, from Citibank International PLC at an interest rate of Libor+0.3% due in 2008.

In June 2007, the Group issued Euro 700 million Loan Participation Notes due in 2014 at an interest rate of 5.36% and UK pound 800 million Loan Participation Notes due in 2013 at an interest rate of 6.58% under the USD 15,000 million Programme for the Issuance of Loan Participation Notes.

In August 2007, the Group received a loan of RR 12,800 from Liberty Hampshir Corporation at an interest rate of 6.77% due in 2010.

In August 2007, the Group issued USD 1,250 million Loan Participation Notes due in 2037 at an interest rate of 7.29% under the USD 30,000 million Programme for the Issuance of Loan Participation Notes.

In September 2007 the Group received a loan of USD 1,635 million from Credit Swiss International at an interest rate of Libor+0.3% due in 2009.

In September 2007 the Group received a loan from a group of international banks ABN AMRO, Calyon, Citigroup Global Markets and Commerzbank in the amount of USD 1,650 million at an interest rate of Libor+0.75% due in 2010 under the USD 2,200 million loan facility.

ОАО ГАЗПРОМ
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